

107TH CONGRESS  
2D SESSION

# S. 2524

To amend part A of title IV of the Social Security Act to reauthorize the temporary assistance to needy families program, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

MAY 15 (legislative day, MAY 9), 2002

Mr. BAYH (for himself, Mr. CARPER, Mr. GRAHAM, Mrs. CLINTON, Mr. LIEBERMAN, Mr. MILLER, Mrs. CARNAHAN, Mr. NELSON of Nebraska, and Mr. NELSON of Florida) introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To amend part A of title IV of the Social Security Act to reauthorize the temporary assistance to needy families program, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS; AMEND-**

4 **MENTS TO SOCIAL SECURITY ACT.**

5 (a) SHORT TITLE.—This Act may be cited as the  
6 “Work and Family Act of 2002”.

7 (b) TABLE OF CONTENTS.—The table of contents of  
8 this Act is as follows:

Sec. 1. Short title; table of contents; amendments to Social Security Act.

Sec. 2. Findings.

## TITLE I—REQUIRING WORK

- Sec. 101. Increase in work participation rates.
- Sec. 102. Elimination of separate work participation rate for 2-parent families.
- Sec. 103. Credits for purposes of determining monthly work participation rates.
- Sec. 104. Child support collection credit.
- Sec. 105. Phaseout of easeload reduction credit.
- Sec. 106. Removal of recipients who qualify for supplemental security income benefits from work participation rate calculation for entire year.
- Sec. 107. 40-hour work week.
- Sec. 108. Increase in mandatory funding for child care.
- Sec. 109. State option for participation requirement exemption for individuals overcoming barriers to work.
- Sec. 110. Competitive grants for public-private partnerships for educational opportunities for career advancement; State option to establish parents as scholars program.
- Sec. 111. Transitional jobs programs.
- Sec. 112. Ensuring TANF funds are not used to displace public employees; application of workplace laws to welfare recipients.

## TITLE II—STRENGTHENING FAMILIES

### Subtitle A—Responsible Fatherhood

- Sec. 201. Block grants to States to encourage media campaigns.
- Sec. 202. Responsible fatherhood block grant.
- Sec. 203. National clearinghouse for responsible fatherhood programs.
- Sec. 204. Policy reviews and demonstration projects to coordinate services for low-income, noncustodial parents.

### Subtitle B—Additional Provisions To Strengthen Families

- Sec. 211. Ban on imposition of stricter eligibility criteria for 2-parent families.
- Sec. 212. Noncustodial parent employment grant program.

### Subtitle C—Teen Pregnancy Prevention Grants

- Sec. 221. Teen pregnancy prevention grants.
- Sec. 222. Teen pregnancy prevention resource center.
- Sec. 223. Establishing national goals to prevent teen pregnancy.

### Subtitle D—Child Support Distribution to Families First

#### CHAPTER 1—DISTRIBUTION OF CHILD SUPPORT

- Sec. 231. Distribution of child support collected by States on behalf of children receiving certain welfare benefits.

#### CHAPTER 2—DEMONSTRATIONS OF EXPANDED INFORMATION AND ENFORCEMENT

- Sec. 241. Guidelines for involvement of public non-IV-D child support enforcement agencies in child support enforcement.

- Sec. 242. Demonstrations involving establishment and enforcement of child support obligations by public non-IV-D child support enforcement agencies.
- Sec. 243. GAO report to Congress on private child support enforcement agencies.
- Sec. 244. Effective date.

#### CHAPTER 3—EXPANDED ENFORCEMENT

- Sec. 251. Decrease in amount of child support arrearage triggering passport denial.
- Sec. 252. Use of tax refund intercept program to collect past-due child support on behalf of children who are not minors.
- Sec. 253. Garnishment of compensation paid to veterans for service-connected disabilities in order to enforce child support obligations.

#### CHAPTER 4—MISCELLANEOUS

- Sec. 261. Report on undistributed child support payments.
- Sec. 262. Use of new hire information to assist in administration of unemployment compensation programs.
- Sec. 263. Immigration provisions.
- Sec. 264. Increase in payment rate to States for expenditures for short-term training of staff of certain child welfare agencies.
- Sec. 265. Correction of errors in conforming amendments in the welfare-to-work and child support amendments of 1999.
- Sec. 266. Technical correction to changed dates for abstinence evaluation.

### TITLE III—PROVIDING FLEXIBILITY AND RESOURCES

#### Subtitle A—Resources Under TANF

- Sec. 301. Reauthorization of State family assistance grants.
- Sec. 302. Contingency fund.
- Sec. 303. Reauthorization of supplemental grants for population increases.
- Sec. 304. Grants to States for administrative costs of implementing increased work requirements and to enhance State capabilities and ease-worker training.
- Sec. 305. Credit for State expenditures to carry out the purposes of TANF.
- Sec. 306. Reauthorization of grants for Indian tribes and penalty for failure to maintain historic State effort.
- Sec. 307. Clarification of authority of States to use TANF funds carried over from prior years to provide TANF benefits and services.
- Sec. 308. Promoting work and responsibility among all families with children.
- Sec. 309. Data collection and reporting.
- Sec. 310. Definition of assistance.
- Sec. 311. Authority to use TANF funds for housing benefits.

#### Subtitle B—Resources Under Other Programs

- Sec. 321. Restoration of funding for the Social Services Block Grant.
- Sec. 322. One-year extension and revision and simplification of the transitional medical assistance program (TMA).
- Sec. 323. Optional coverage of legal immigrants under the Medicaid program and title XXI.
- Sec. 324. Pathway to self-sufficiency grants to improve coordination of assistance for low-income families.

Sec. 325. GAO study on impact of ban on SSI benefits for legal immigrants.

#### TITLE IV—EFFECTIVE DATE

Sec. 401. Effective date.

1       (c) AMENDMENTS TO SOCIAL SECURITY ACT.—Ex-  
2       cept as otherwise specifically provided, whenever in this  
3       Act an amendment is expressed in terms of an amendment  
4       to or repeal of a section or other provision, the reference  
5       shall be considered to be made to that section or other  
6       provision of the Social Security Act (42 U.S.C. 301 et  
7       seq.).

#### 8       **SEC. 2. FINDINGS.**

9       (a) IN GENERAL.—Congress makes the following  
10       findings regarding the reauthorization of the temporary  
11       assistance to needy families program under part A of title  
12       IV of the Social Security Act (42 U.S.C. 601 et seq.):

13               (1) The Personal Responsibility and Work Op-  
14       portunity Reconciliation Act of 1996 (Public Law  
15       104–193; 110 Stat. 2105) was a fundamental  
16       change to reform the Federal welfare system to shift  
17       it from an entitlement program into a transition  
18       program to help families move from welfare to work  
19       and personal responsibility.

20               (2) Since enactment of the 1996 welfare reform  
21       law, welfare cash assistance caseloads have dropped  
22       dramatically, by more than 50 percent, and approxi-



1        mately  $\frac{2}{3}$  of welfare recipients who have left the  
2        cash assistance rolls have left for work.

3        (3) More investments in quality child care will  
4        allow parents to enter and continue in the workforce  
5        knowing that their children have access to safe,  
6        meaningful child care, hopefully with emphasis on  
7        child development and preparation to ensure that  
8        each child gains the skills needed to enter school  
9        ready to learn.

10       (4) Child poverty rates are improving, but more  
11       must be done to reduce poverty in the 2,000,000  
12       families who are still struggling.

13       (5) Children deserve to be raised in supportive  
14       homes, preferably with 2 loving parents. It is crucial  
15       to end policies that discriminate against serving 2-  
16       parent families within the welfare system. It is also  
17       important to support innovative programs to encour-  
18       age full participation in child support and child  
19       rearing by noncustodial parents.

20       (b) RESPONSIBLE FATHERHOOD.—Congress makes  
21       the following findings regarding responsible fatherhood:

22       (1) Nearly 24,000,000 children in the United  
23       States, or 36 percent of all such children, live apart  
24       from their biological father.

1           (2) Sixty percent of couples who divorce have at  
2       least 1 child.

3           (3) The number of children living with only a  
4       mother increased from just over 5,000,000 in 1960,  
5       to 20,000,000 in 2001, and between 1981 and 1991  
6       the percentage of children living with only 1 parent  
7       increased from 19 percent to 27 percent.

8           (4) Forty percent of children who live in house-  
9       holds without a father have not seen their father in  
10      at least 1 year and 50 percent of such children have  
11      never visited their father's home.

12          (5) The most important factor in a child's up-  
13      bringing is whether the child is brought up in a lov-  
14      ing, healthy, supportive environment.

15          (6) Children who live without contact with their  
16      biological father are, in comparison to children who  
17      have such contact—

18              (A) 5 times more likely to live in poverty;

19              (B) more likely to bring weapons and  
20      drugs into the classroom;

21              (C) twice as likely to commit crime;

22              (D) twice as likely to drop out of school;

23              (E) twice as likely to be abused;

24              (F) more likely to commit suicide;

1 (G) more than twice as likely to abuse al-  
2 cohol or drugs; and

3 (H) more likely to become pregnant as  
4 teenagers.

5 (7) Violent criminals are overwhelmingly males  
6 who grew up without fathers.

7 (8) Between 20 and 30 percent of families in  
8 poverty are headed by women who have suffered do-  
9 mestic violence during the past year and between 40  
10 and 60 percent of women with children receiving  
11 welfare were abused sometime during their life.

12 (9) Responsible fatherhood includes active par-  
13 ticipation in financial support and child care, as well  
14 as the formation and maintenance of a positive,  
15 healthy, and nonviolent relationship between father  
16 and child and a cooperative relationship between  
17 parents.

18 (10) States should be encouraged to implement  
19 programs that provide support for responsible fa-  
20 therhood, promote marriage, and increase the inci-  
21 dence of marriage, and should not be restricted from  
22 implementing such programs.

23 (11) Fatherhood programs should promote and  
24 provide support services for—

1 (A) loving and healthy relationships be-  
2 tween parents and children; and

3 (B) cooperative parenting.

4 (12) There is a social need to reconnect chil-  
5 dren and fathers.

6 (13) The promotion of responsible fatherhood  
7 and encouragement of married 2-parent families  
8 should not—

9 (A) denigrate the standing or parenting ef-  
10 forts of single mothers or other caregivers;

11 (B) lessen the protection of children from  
12 abusive parents; or

13 (C) compromise the safety or health of the  
14 custodial parent;

15 but should increase the chance that children will  
16 have 2 caring parents to help them grow up healthy  
17 and secure.

18 (14) The promotion of responsible fatherhood  
19 must always recognize and promote the values of  
20 nonviolence.

21 (15) For the future of the United States and  
22 the future of our children, Congress, States, and  
23 local communities should assist parents to become  
24 more actively involved in their children's lives.

(16) Child support is an important means by which a parent can take financial responsibility for a child and emotional support is an important means by which a parent can take social responsibility for a child.

(c) TEEN PREGNANCY PREVENTION.—Congress makes the following findings regarding the prevention of teen pregnancy:

(1) The United States is making significant progress in reducing teen births, with national teen birth rates declining 22 percent since 1991.

(2) Despite declining national rates, teen birth rates went up in 11 States between 1999 and 2000, and the national teen birth rate for Hispanic teens who are 15 to 19 years old also increased between 1999 and 2000.

(3) In the United States 4 out of 10 girls get pregnant at least once by age 20, nearly 1,000,000 girls each year. There are nearly 500,000 teen births each year.

(4) Although teen pregnancy and birth rates are declining, the United States still has the highest rates of teen pregnancy and birth in the industrialized world, nearly twice as high as the next highest nation, Great Britain.



1           (5) Some 52 percent of all mothers on welfare  
2       had their first child as a teenager, according to the  
3       most recent data available. Almost  $\frac{1}{2}$  of all teen  
4       mothers and over  $\frac{3}{4}$  of unmarried teen mothers  
5       began receiving welfare within 5 years of the birth  
6       of their first child.

7           (6) At present, 79 percent of births to teen  
8       mothers are out-of-wedlock and nearly  $\frac{1}{2}$  of all non-  
9       marital first births occur to teens.

10          (7) Children of teen mothers are more likely to  
11       be born prematurely and at low birth weight, to per-  
12       form poorly in school, and to suffer abuse and ne-  
13       glect than children born to older women. Girls born  
14       to teen mothers are 22 percent more likely to be-  
15       come teen mothers, and sons of teen mothers are  
16       more likely to end up in jail.

17          (8) Teen mothers are likely to have a second  
18       birth relatively soon, about  $\frac{1}{4}$  of teenage mothers  
19       have a second child within 24 months of the first  
20       birth, which can further impede the teen mother's  
21       ability to finish school or keep a job and to escape  
22       poverty.

23          (9) Teen pregnancy and childbearing costs  
24       United States taxpayers at least \$7,000,000,000 per  
25       year.

1           (10) Teen marriages are twice as likely to fail  
2 as marriages where the woman is at least 25 years  
3 old.

4           (11) Many of the fathers of children born to  
5 teen mothers are older. Half of those young men  
6 who impregnate a minor teen (under age 18) are 3  
7 or more years older than the young woman. Eight  
8 of 10 teen fathers do not marry the mothers of their  
9 first children and these absent fathers pay less than  
10 \$800 annually in child support, often because they  
11 are quite poor themselves.

12          (12) Over 90 percent of both adults and teens  
13 believe it is important that teens be given a strong  
14 message from society that they should abstain from  
15 sex until they are at least out of high school. A sub-  
16 stantial majority of both adults and teens also be-  
17 lieve that, while teens should not be sexually active,  
18 those that are should have access to contraception.

19          (13) A synthesis of research on the effective-  
20 ness of media campaigns in the United States sug-  
21 gests that these campaigns may reduce risky health  
22 behaviors by as much as 5 to 10 percent at a very  
23 low cost.

24          (14) There is rigorous evaluation research  
25 about a variety of programs that are effective in de-

1       laying the onset of sex, improving contraceptive use,  
2       or preventing pregnancy among adolescents.

3               (15) Between 1995 and 2010, the number of  
4       girls who are 15 to 19 years old is estimated to in-  
5       crease by 2,200,000. If current fertility rates remain  
6       the same, there would be a 26 percent increase in  
7       the number of pregnancies and births among teen-  
8       agers between 1995 and 2010.

9       **TITLE I—REQUIRING WORK**

10   **SEC. 101. INCREASE IN WORK PARTICIPATION RATES.**

11       Section 407(a) (42 U.S.C. 607(a)) is amended—

12               (1) by striking “A State” and inserting “Sub-  
13       ject to paragraphs (2) and (3), a State”;

14               (2) in the table set forth in paragraph (1)—

15                       (A) in the item relating to fiscal year  
16       2002—

17                               (i) by striking “or thereafter” and in-  
18       serting “or 2003”; and

19                               (ii) by striking the period; and

20                       (B) by adding at the end the following:

“2004 .....	55
2005 .....	60
2006 .....	65
2007 or thereafter .....	70.”;

21       and

22               (3) by striking paragraph (2) and inserting the  
23       following:

“(2) CAP ON ANNUAL INCREASE OF MINIMUM PARTICIPATION RATE FOR CERTAIN STATES.—In the case of a State for which the minimum participation rate otherwise required by this section for fiscal year 2002 was reduced, as of the date of enactment of the Work and Family Act of 2002, by regulations or otherwise, paragraph (3) shall not apply and the minimum participation rate for such State with respect to fiscal year 2003 or any fiscal year thereafter shall equal the lessor of—

“(A) the rate specified in the table set forth in paragraph (1) for such fiscal year; or

“(B) the minimum participation rate applicable to the State under this section for the preceding fiscal year increased by 20 percentage points.

“(3) MORATORIUM ON INCREASES IN PARTICIPATION RATES IF REDUCTION IN MANDATORY FUNDING FOR CHILD CARE.—In the case of a State to which paragraph (2) does not apply, with respect to fiscal year 2003 or any fiscal year thereafter, if the amount appropriated for that fiscal year under subsection (a)(3) of section 418 for making grants under that section to provide child care assistance is less than the amount required to be appropriated for

1       such fiscal year as of the date of enactment of the  
2       Work and Family Act of 2002—

3               “(A) the minimum participation rate oth-  
4               erwise applicable under this section for the pre-  
5               ceding fiscal year shall continue to apply to  
6               such State for that fiscal year and any suc-  
7               ceeding fiscal year until the amount appro-  
8               priated for the fiscal year under subsection  
9               (a)(3) of section 418 is at least equal to the  
10              amount required to be so appropriated for that  
11              fiscal year (as of such date of enactment); and

12              “(B) the minimum participation rate for  
13              any fiscal year described in subparagraph (A)  
14              for which the amount appropriated under sub-  
15              section (a)(3) of section 418 is restored to an  
16              amount that is at least equal to the amount re-  
17              quired to be so appropriated for such fiscal year  
18              (as of such date of enactment) shall, notwith-  
19              standing the rate that would otherwise apply to  
20              the State under this section (after the applica-  
21              tion of such paragraphs), be the minimum par-  
22              ticipation rate for the preceding fiscal year in-  
23              creased by 5 percentage points.”.



**1 SEC. 102. ELIMINATION OF SEPARATE WORK PARTICIPA-**  
**2 TION RATE FOR 2-PARENT FAMILIES.**

**3** Section 407(b) (42 U.S.C. 607(b)) is amended—

**4** (1) in paragraph (1)(A), by striking “subsection  
**5** (a)(1)” and inserting “subsection (a)”;

**6** (2) by striking paragraph (2);

**7** (3) in paragraph (4), by striking “paragraphs  
**8** (1)(B) and (2)(B)” and inserting “paragraph  
**9** (1)(B)”;

**10** (4) in paragraph (5), by striking “rates” and  
**11** inserting “rate”; and

**12** (5) by redesignating paragraphs (3), (4), and  
**13** (5) as paragraphs (2), (3), and (4), respectively.

**14 SEC. 103. CREDITS FOR PURPOSES OF DETERMINING**  
**15 MONTHLY WORK PARTICIPATION RATES.**

**16** (a) CREDIT FOR EMPLOYMENT OF FORMER RECIPI-  
**17** ENTS.—Section 407(b)(1) (42 U.S.C. 607(b)(1)) is  
**18** amended by adding at the end the following:

**19** “(C) CREDIT FOR EMPLOYMENT OF  
**20** FORMER RECIPIENTS.—

**21** “(i) IN GENERAL.—Subject to clause  
**22** (ii), for purposes of subparagraph (B)(i), a  
**23** State may count an individual who has  
**24** ceased to receive assistance under the  
**25** State program funded under this part and  
**26** who has earnings from employment with

1           respect to a month as a family engaged in  
 2           work for that month, not to exceed 12 con-  
 3           secutive months from the date that the in-  
 4           dividual first received such earnings.

5           “(ii) LIMITATION.—A State may not  
 6           count an individual described in clause (i)  
 7           as engaged in work for a month under this  
 8           subparagraph if the State counts that indi-  
 9           vidual under subparagraph (E) as being  
 10          engaged in work for such month.

11          “(iii) DATA COLLECTION.—The State  
 12          agency responsible for administering the  
 13          State Directory of New Hires established  
 14          under section 453A, shall provide the State  
 15          agency responsible for administering the  
 16          State program funded under this part with  
 17          access to such directory for purposes of  
 18          collecting information necessary for the  
 19          State to obtain credit for the employment  
 20          of individuals under clause (i).”.

21          (b) CREDIT FOR BOTH PARENTS MEETING WORK  
 22          REQUIREMENTS.—Section 407(b)(1) (42 U.S.C.  
 23          607(b)(1)), as amended by subsection (a), is amended by  
 24          adding at the end the following:

1                   “(D) CREDIT FOR BOTH PARENTS MEET-  
 2                   ING WORK REQUIREMENTS.—For purposes of  
 3                   subparagraph (B)(i), a State may count a fam-  
 4                   ily that includes 2 parents that each are en-  
 5                   gaged in work for the month as 2 separate fam-  
 6                   ilies.”.

7           (c) CREDIT FOR FORMER RECIPIENTS WITH HIGHER  
 8 EARNINGS.—Section 407(b)(1) (42 U.S.C. 607(b)(1)), as  
 9 amended by subsections (a) and (b), is amended by adding  
 10 at the end the following:

11                   “(E) CREDIT FOR FORMER RECIPIENTS  
 12                   WITH HIGHER EARNINGS.—

13                   “(i) IN GENERAL.—Subject to clause  
 14                   (ii), for purposes of subparagraph (B)(i), a  
 15                   State may count a family that includes an  
 16                   individual who has ceased to receive assist-  
 17                   ance under the State program funded  
 18                   under this part and who has earnings from  
 19                   employment with respect to a month that  
 20                   are equal to at least 50 percent of the av-  
 21                   erage wage in the State (determined on the  
 22                   basis of State unemployment data) as 1½  
 23                   families.

24                   “(ii) LIMITATIONS.—A State may not  
 25                   count an individual described in clause (i)

1 as engaged in work for a month under this  
2 subparagraph—

3 “(I) if the State counts that indi-  
4 vidual under subparagraph (C) as  
5 being engaged in work for such  
6 month; or

7 “(II) for more than 12 consecu-  
8 tive months from the date that the in-  
9 dividual first received earnings de-  
10 scribed in clause (i).”.

11 (d) PARTIAL CREDIT FOR CERTAIN INDIVIDUALS.—  
12 Section 407(b)(1) (42 U.S.C. 607(b)(1)), as amended by  
13 subsections (a), (b), and (c), is amended by adding at the  
14 end the following:

15 “(G) PARTIAL CREDIT FOR CERTAIN RE-  
16 CIPIENTS.—

17 “(i) IN GENERAL.—Subject to clause  
18 (ii), for purposes of subparagraph (B)(i),  
19 with respect to a month, a State may in-  
20 clude a family that includes an individual  
21 described in any of the following categories  
22 as ½ of a family engaged in work for that  
23 month:

24 “(I) NONCUSTODIAL PARENTS  
25 RECEIVING EMPLOYMENT SERV-

1 ICES.—A noncustodial parent who re-  
2 ceives employment services under any  
3 State program, who has a child who  
4 receives assistance under the State  
5 program funded under this part (or  
6 who received such assistance not more  
7 than 2 years earlier), and who has an  
8 agreement to comply with such par-  
9 ent's child support obligations upon  
10 receiving such services, not to exceed  
11 12 consecutive months from the date  
12 that the individual first receives such  
13 services.

14 “(II) RECIPIENTS WORKING  
15 PART-TIME AND ADDRESSING BAR-  
16 RIERS TO WORK.—A recipient who is  
17 engaged for a month in a core work  
18 activity described in subsection  
19 (c)(1)(C)(i) for at least 15 hours per  
20 week and engaged for such month in  
21 a self-sufficiency work activity de-  
22 scribed in subsection (c)(1)(C)(ii) for  
23 at least an additional 15 hours per  
24 week.



1                   “(III) RECIPIENTS OF SUBSTAN-  
2                   TIAL CHILD CARE OR TRANSPOR-  
3                   TATION ASSISTANCE.—A recipient of  
4                   substantial child care or transpor-  
5                   tation assistance (as defined by the  
6                   Secretary, in consultation with direc-  
7                   tors of State programs funded under  
8                   this part, which definition shall speci-  
9                   fy for each type of assistance a  
10                  threshold which is a dollar value or  
11                  length of time over which the assist-  
12                  ance is received, and shall take ac-  
13                  count of large one-time transition pay-  
14                  ments).

15               “(IV) RECIPIENTS ENGAGED IN  
16               HIGHER EDUCATION.—A recipient  
17               who is engaged for a month in higher  
18               education activities for at least 20  
19               hours per week.

20               “(ii) LIMITATION.—Not more than 30  
21               percent of the number of individuals in all  
22               families in a State who are subject to work  
23               requirements under the State program  
24               may consist of families described and  
25               counted under clause (i).

1                   “(iii) RULE OF CONSTRUCTION.—

2                   Nothing in clause (i)(III) shall be con-  
3                   strued as making a recipient described in  
4                   that clause subject to any work require-  
5                   ments imposed under the State program  
6                   funded under this part.”.

7 **SEC. 104. CHILD SUPPORT COLLECTION CREDIT.**

8           Section 407(a) (42 U.S.C. 607(a)), as amended by  
9           section 101, is amended by adding at the end the fol-  
10          lowing:

11                   “(3) CHILD SUPPORT COLLECTION CREDIT.—

12           Beginning with fiscal year 2003, the minimum par-  
13           ticipation rate otherwise applicable to a State under  
14           this subsection for a fiscal year shall be reduced by  
15           the number of percentage points by which the per-  
16           centage of cases with child support collections for  
17           children in families receiving assistance or formerly  
18           received assistance under the State program funded  
19           under this part for the preceding fiscal year in-  
20           creased over the percentage of such cases with child  
21           support collections for the second preceding fiscal  
22           year.”.

1 **SEC. 105. PHASEOUT OF CASELOAD REDUCTION CREDIT.**

2 Section 407(b)(3) (42 U.S.C. 607(b)(3)), as redesign-  
3 nated by section 102(5), is amended by adding at the end  
4 the following:

5 “(C) **ELIMINATION OF CREDIT BEGINNING**  
6 **WITH FISCAL YEAR 2006.**—The minimum par-  
7 ticipation rate required under this section shall  
8 not be reduced due to caseload reductions (in-  
9 cluding under the regulations required by sub-  
10 paragraph (A)) by more than—

11 “(i) 50 percent, in the case of fiscal  
12 year 2004;

13 “(ii) 25 percent, in the case of fiscal  
14 year 2005; and

15 “(iii) 0 percent in the case of fiscal  
16 year 2006 and each fiscal year there-  
17 after.”.

18 **SEC. 106. REMOVAL OF RECIPIENTS WHO QUALIFY FOR**  
19 **SUPPLEMENTAL SECURITY INCOME BENE-**  
20 **FITS FROM WORK PARTICIPATION RATE CAL-**  
21 **CULATION FOR ENTIRE YEAR.**

22 Section 407(b)(1)(B)(ii) (42 U.S.C. 607(b)(1)(B)(ii))  
23 is amended—

24 (1) in subclause (I), by inserting “who has not  
25 become eligible for supplemental security income

benefits under title XVI during the fiscal year” before the semicolon; and

(2) in subclause (II), by inserting “, and that do not include an adult or minor child head of household who has become eligible for supplemental security income benefits under title XVI during the fiscal year” before the period.

**SEC. 107. 40-HOUR WORK WEEK.**

(a) CORE AND SELF-SUFFICIENCY HOURS.—Section 407(c)(1) (42 U.S.C. 607(c)(1)) is amended to read as follows:

“(1) CORE AND SELF-SUFFICIENCY HOURS.—

“(A) MINIMUM REQUIREMENTS APPLICABLE TO ALL RECIPIENTS.—Subject to subparagraph (D), for purposes of subsection (b)(1)(B)(i), a recipient is engaged in work for a month in a fiscal year if the recipient is participating in core work activities for at least 20 hours per week and in self-sufficiency activities for at least an additional 20 hours per week (as administered and certified by the State).

“(B) CREDIT FOR RECIPIENTS EXCEEDING CORE WORK ACTIVITIES REQUIREMENTS BUT NOT MEETING SELF-SUFFICIENCY ACTIVITIES REQUIREMENTS.—Subject to subparagraph (D),

1 for purposes of subsection (b)(1)(B)(i), with re-  
2 spect to a month—

3 “(i) if a family includes a recipient  
4 who is engaged in core work activities for  
5 at least 24 hours per week for the month  
6 but not engaged in self-sufficiency activi-  
7 ties for the month, the State shall count  
8 the family as 60 percent of a family being  
9 engaged in work for the month;

10 “(ii) if a family includes a recipient  
11 who is engaged in core work activities for  
12 at least 24 hours per week and in self-suf-  
13 ficiency activities for at least 1 but less  
14 than 5 hours per week for the month, the  
15 State shall count the family as 70 percent  
16 of a family being engaged in work for the  
17 month;

18 “(iii) if a family includes a recipient  
19 who is engaged in core work activities for  
20 at least 24 hours per week and in self-suf-  
21 ficiency activities for at least 5 but less  
22 than 9 hours per week for the month, the  
23 State shall count the family as 80 percent  
24 of a family being engaged in work for the  
25 month;



“(iv) if a family includes a recipient who is engaged in core work activities for at least 24 hours per week and in self-sufficiency activities for at least 9 but less than 13 hours per week for the month, the State shall count the family as 90 percent of a family being engaged in work for the month;

“(v) if a family includes a recipient who is engaged in core work activities for at least 24 hours per week and in self-sufficiency activities for at least 13 but less than 16 hours per week for the month, the State shall count the family as a family being engaged in work for the month; and

“(vi) if a family includes a recipient who is engaged in core work activities for at least 24 hours per week and in self-sufficiency activities for at least 16 hours per week for the month, the State shall count the family as 1¼ families being engaged in work for the month.

“(C) DEFINITIONS.—In this section:

“(i) CORE WORK ACTIVITIES.—The term ‘core work activities’ means 1 or

1 more activities described in paragraphs (1)  
2 through (9) of subsection (d).

3 “(ii) SELF-SUFFICIENCY ACTIVITIES.—The term ‘self-sufficiency activities’  
4 means 1 or more activities described in  
5 paragraphs (1) through (13) of subsection  
6 (d).  
7

8 “(D) LIMITATION ON APPLICABILITY.—  
9 With respect to fiscal year 2003 or any fiscal  
10 year thereafter, if the amount appropriated for  
11 that fiscal year under subsection (a)(3) of sec-  
12 tion 418 for making grants under that section  
13 to provide child care assistance is less than the  
14 amount required to be appropriated for such  
15 fiscal year as of the date of enactment of the  
16 Work and Family Act of 2002, this paragraph  
17 shall be applied without regard to the amend-  
18 ments made by section 107(a) of the Work and  
19 Family Act of 2002, and shall continue to be so  
20 applied until the amount appropriated for the  
21 fiscal year under subsection (a)(3) of section  
22 418 is at least equal to the amount required to  
23 be so appropriated for that fiscal year, as of  
24 such date of enactment.”.

25 (b) WORK ACTIVITIES.—

(1) MODIFICATIONS OF LIMITATIONS ON ACTIVITIES.—Section 407(d) (42 U.S.C. 607(d)) is amended—

(A) in paragraph (11), by striking “and” at the end;

(B) in paragraph (12), by striking the period and inserting “; and”; and

(C) by adding at the end the following:

“(13) any activity that the State—

“(A) determines is reasonably related to—

“(i) providing assistance to needy families so that children may be cared for in their own homes or in the homes of relatives;

“(ii) ending the dependence of needy parents on government benefits by promoting job preparation, work, and marriage;

“(iii) preventing and reducing the incidence of out-of-wedlock pregnancies and establishing annual numerical goals for preventing and reducing the incidence of these pregnancies; or

“(iv) encouraging the formation and maintenance of 2-parent families; or

“(B) certifies as achieving 1 or more purposes described in subparagraph (A), such as (but not limited to) language acquisition skills, including participation in an English as a second language program, education and training (including postsecondary education), substance abuse treatment, the receipt of mental health services, or the acquisition of child development and parenting skills.”.

(2) RECIPIENTS CONSIDERED TO BE FULL-TIME EMPLOYEES BY THEIR EMPLOYER.—Section 407(c)(2) (42 U.S.C. 607(c)(2)) is amended by adding at the end the following:

“(E) RECIPIENTS CONSIDERED TO BE FULL-TIME EMPLOYEES BY THEIR EMPLOYER.—For purposes of determining monthly participation rates under subsection (b)(1)(B)(i), a recipient whose private sector employer certifies that the recipient’s hours of work satisfy the employer’s requirements applicable to the employer’s other employees for being a full-time employee, and that the recipient is considered to be a full-time employee of the employer, is deemed to be engaged in work for a month.”.

(3) SINGLE PARENT OR RELATIVE WITH CHILD UNDER AGE 6.—Section 407(c)(2)(B) (42 U.S.C. 607(c)(2)(B)) is amended—

(A) in the subparagraph heading, by striking “IN WORK” each place it appears and inserting “IN CORE WORK ACTIVITIES”; and

(B) by striking “in work” and inserting “in core work activities”.

(4) ELIMINATION OF RECIPIENTS COMPLETING SECONDARY SCHOOL FROM LIMIT ON NUMBER OF TANF RECIPIENTS PARTICIPATING IN VOCATIONAL EDUCATIONAL TRAINING; OPTION TO PERMIT UP TO HALF OF VOCATIONAL EDUCATIONAL TRAINING CASELOAD TO CONTINUE FOR UP TO 24 MONTHS.—

(A) IN GENERAL.—Section 407(c)(2)(D) (42 U.S.C. 607(c)(2)(D)) is amended to read as follows:

“(D) LIMITATION ON NUMBER OF PERSONS WHO MAY BE TREATED AS ENGAGED IN WORK BY REASON OF PARTICIPATION IN VOCATIONAL EDUCATIONAL ACTIVITIES.—

“(i) IN GENERAL.—For purposes of determining monthly participation rates under subsection (b)(1)(B)(i), not more than 30 percent of the number of individ-

1 uals in all families in a State who are  
2 treated as engaged in work for a month  
3 may consist of individuals who are deter-  
4 mined to be engaged in work for the  
5 month by reason of participation in voca-  
6 tional educational training.

7 “(ii) OPTION TO PERMIT  $\frac{1}{2}$  OF CER-  
8 TAIN INDIVIDUALS PARTICIPATING IN VO-  
9 CATIONAL EDUCATIONAL ACTIVITIES TO  
10 CONTINUE TRAINING FOR UP TO 24  
11 MONTHS.—Notwithstanding subsection  
12 (d)(8), a State may—

13 “(I) permit not more than  $\frac{1}{2}$  of  
14 the number of individuals in all fami-  
15 lies in a State who are treated as en-  
16 gaged in work for the month under  
17 clause (i) by reason of participation in  
18 vocational educational training to par-  
19 ticipate in such training for up to 24  
20 months if the State certifies that each  
21 such individual is pursuing a certifi-  
22 cate or degree that is likely to result  
23 if the individual is allowed to partici-  
24 pate in such training; and



1                   “(II) treat such individuals as  
2                   being engaged in work for a month  
3                   for purposes of subsection  
4                   (b)(1)(B)(i).”.

5                   (B) CONFORMING AMENDMENTS.—

6                   (i) Section 407(c)(2)(C)(ii) (42 U.S.C.  
7                   607(c)(2)(C)(ii) is amended by inserting  
8                   “including vocational educational training”  
9                   after “employment”.

10                  (ii) Section 407(d)(8) (42 U.S.C.  
11                  607(d)(8)) is amended by striking “not”  
12                  and inserting “subject to subsection  
13                  (c)(2)(D)(ii), not”.

14 **SEC. 108. INCREASE IN MANDATORY FUNDING FOR CHILD**  
15 **CARE.**

16                  Section 418(a)(3) (42 U.S.C. 618(a)(3)) is  
17 amended—

18                  (1) by striking “and” at the end of subpara-  
19 graph (E);

20                  (2) by striking the period at the end of sub-  
21 paragraph (F) and inserting a semicolon; and

22                  (3) by adding at the end the following:

23                         “(G) \$3,717,000,000 for fiscal year 2003;

24                         “(H) \$4,117,000,000 for fiscal year 2004;

25                         “(I) \$4,417,000,000 for fiscal year 2005;

1                   “(J) \$4,617,000,000 for fiscal year 2006;  
 2                   and  
 3                   “(K) \$4,717,000,000 for fiscal year  
 4                   2007.”.

5 **SEC. 109. STATE OPTION FOR PARTICIPATION REQUIRE-**  
 6 **MENT EXEMPTION FOR INDIVIDUALS OVER-**  
 7 **COMING BARRIERS TO WORK.**

8       (a) IN GENERAL.—Section 407(b) (42 U.S.C.  
 9 607(b)), as amended by section 102, is amended by adding  
 10 at the end the following:

11               “(5) STATE OPTION FOR PARTICIPATION RE-  
 12 QUIREMENT EXEMPTION FOR INDIVIDUALS OVER-  
 13 COMING BARRIERS TO WORK.—A State may, at its  
 14 option, not require an individual who is addressing  
 15 a barrier to work such as substance abuse, a mental  
 16 health disorder, depression, having experienced do-  
 17 mestic violence (as defined in section 402(a)(7)(B)),  
 18 or being in need of significant job training, to en-  
 19 gage in work, and may disregard such an individual  
 20 in determining the participation rate under sub-  
 21 section (a), for not more than 3 months during any  
 22 24-month period.”.

23       (b) CONFORMING AMENDMENT.—Paragraph (4) of  
 24 section 407(b) (42 U.S.C. 607(b)), as redesignated by sec-  
 25 tion 102(5), is amended in the paragraph heading by

1 striking "EXEMPTIONS" and inserting "EXEMPTION FOR  
2 SINGLE CUSTODIAL PARENT WITH AN INFANT".

3 **SEC. 110. COMPETITIVE GRANTS FOR PUBLIC-PRIVATE**  
4 **PARTNERSHIPS FOR EDUCATIONAL OPPOR-**  
5 **TUNITIES FOR CAREER ADVANCEMENT;**  
6 **STATE OPTION TO ESTABLISH PARENTS AS**  
7 **SCHOLARS PROGRAM.**

8 (a) COMPETITIVE GRANTS FOR PUBLIC-PRIVATE  
9 PARTNERSHIPS FOR EDUCATIONAL OPPORTUNITIES FOR  
10 CAREER ADVANCEMENT.—

11 (1) AUTHORITY TO AWARD GRANTS.—

12 (A) IN GENERAL.—The Secretary of  
13 Health and Human Services and the Secretary  
14 of Labor (in this subsection referred to as the  
15 "Secretaries") jointly shall award grants in ac-  
16 cordance with the requirements of this sub-  
17 section for each fiscal year for which an amount  
18 is appropriated to carry out this subsection for  
19 projects proposed by eligible applicants to en-  
20 courage the formation of public-private partner-  
21 ships to provide educational opportunities for  
22 individuals who receive assistance under the  
23 temporary assistance to needy families program  
24 funded under part A of title IV of the Social  
25 Security Act (42 U.S.C. 601 et seq.) and for in-

1           dividuals who have ceased to receive assistance  
2           under that program.

3           (B) CRITERIA.—The Secretaries shall  
4           award grants under this subsection based on  
5           the following:

6                   (i) The potential effectiveness of the  
7                   proposed project in carrying out the activi-  
8                   ties described in paragraph (5).

9                   (ii) Evidence of the ability of the eligi-  
10                  ble applicant to leverage private, State,  
11                  and local resources to carry out such ac-  
12                  tivities.

13                  (iii) Evidence of the ability of the eli-  
14                  gible applicant to coordinate with other or-  
15                  ganizations at the State and local level in  
16                  carrying out such activities.

17           (2) DEFINITION OF ELIGIBLE APPLICANT.—In  
18           this subsection, the term “eligible applicant”  
19           means—

20                   (A) a public educational institution;

21                   (B) an employer; or

22                   (C) a local or regional consortium that in-  
23                  cludes employers or employer associations, edu-  
24                  cation and training providers, local chambers of  
25                  commerce, or providers of social services.

(3) APPLICATION.—Each eligible applicant desiring a grant under this subsection shall submit an application to the Secretaries at such time, in such manner, and that includes—

(A) evidence, including letters of support, demonstrating that the applicant will work with the State in carrying out the activities described in paragraph (5); and

(B) such other information as the Secretaries may reasonably require.

(4) DETERMINATION OF AMOUNT OF GRANTS;  
AVAILABILITY OF FUNDS.—

(A) IN GENERAL.—In determining the appropriate amount of a grant to be awarded under this subsection, the Secretaries shall provide an eligible applicant with an approved application an amount sufficient to ensure that the project has a reasonable opportunity to be successful, taking into account—

(i) the number and characteristics of the individuals to be served by the project;

(ii) the job opportunities and job growth in the area to be served by the project;

1 (iii) the poverty rate for such area;  
2 and

3 (iv) such other factors as the Secre-  
4 taries deem appropriate.

5 (B) MAXIMUM AMOUNT.—No eligible appli-  
6 cant shall receive a grant of more than  
7 \$5,000,000 per year.

8 (C) AVAILABILITY OF FUNDS.—Funds pro-  
9 vided under a grant awarded under this sub-  
10 section for a fiscal year shall remain available  
11 for use by the eligible applicant through the end  
12 of the succeeding fiscal year.

13 (5) USE OF FUNDS.—An eligible applicant  
14 awarded a grant under this subsection shall enter  
15 into an agreement with the State or local agency re-  
16 sponsible for administering the temporary assistance  
17 to needy families program in the area where the eli-  
18 gible applicant is located to provide individuals de-  
19 scribed in paragraph (1) with—

20 (A) educational credits or opportunities  
21 based upon the length of the individual's em-  
22 ployment;

23 (B) educational credits or opportunities  
24 based upon the individual's commitment to be-  
25 coming employed; or



(C) education and training opportunities for career advancement.

(6) REPORTS.—

(A) PROJECT REPORTS.—Each eligible applicant awarded a grant under this subsection shall submit to the Secretaries such information and data regarding the recipients participating in the project funded under such grant and outcomes for such recipients as the Secretaries may require.

(B) REPORT TO CONGRESS.—The Secretaries shall submit annual reports to Congress on the information and data submitted under subparagraph (A).

(b) GRANTS TO ESTABLISH PARENTS AS SCHOLARS PROGRAMS.—

(1) IN GENERAL.—The Secretary of Health and Human Services may award grants to States to establish a parents as scholars program under which an eligible participant may be provided support services described in paragraph (4) based on the participant's need in order to complete the program.

(2) DEFINITION OF ELIGIBLE PARTICIPANT.—

(A) IN GENERAL.—In this subsection, the term “eligible participant” means an individual

1           who receives assistance under the State pro-  
2           gram funded under part A of title IV of the So-  
3           cial Security Act (42 U.S.C. 601 et seq.) and  
4           satisfies the following requirements:

5                   (i) The individual is enrolled as a full-  
6                   time student in a postsecondary 2- or 4-  
7                   year degree program.

8                   (ii) The individual does not have a  
9                   marketable bachelor's degree.

10                  (iii) The individual does not have the  
11                  skills necessary to earn at least 85 percent  
12                  of the median wage for the State or local-  
13                  ity in which the individual resides.

14                  (iv) The individual is—

15                           (I) pursuing a degree that will  
16                           improve the individual's ability to sup-  
17                           port the individual's family, consid-  
18                           ering the local labor market and em-  
19                           ployment opportunities; and

20                           (II) demonstrating an ability to  
21                           succeed in the educational program  
22                           that has been chosen.

23                  (v) The individual participates in a  
24                  combination of education, training, study  
25                  or worksite experience for an average of

not less than 20 hours per week (including time spent studying at 150 percent of time spent in class).

(vi) After the first 24 months of participation in the program, the individual—

(I) works not less than 15 hours per week (in addition to school and study time); or

(II) engages in a combination of class hours, study hours (including time spent studying at 150 percent of time spent in class) and work for a total of not less than 40 hours per week.

(vii) During the period the individual participates in the program, the individual—

(I) maintains not less than a 2.0 grade point average;

(II) attends classes as scheduled;

(III) reports to the individual's caseworker for the program any changes that might affect the individual's participation;

1 (IV) provides the individual's  
2 caseworker with a copy of any finan-  
3 cial aid award letters; and

4 (V) provides the individual's  
5 caseworker with the individual's se-  
6 mester grades as requested.

7 (B) DEFINITION OF FULL-TIME STU-  
8 DENT.—

9 (i) IN GENERAL.—For purposes of  
10 subparagraph (A)(i), an individual shall be  
11 considered a full-time student if such indi-  
12 vidual is taking courses having the number  
13 of hours needed under the requirements of  
14 the educational institution in which the in-  
15 dividual is enrolled, to complete the re-  
16 quirements of a degree within the usual  
17 timeframe of 2 or 4 years, as applicable.

18 (ii) EXCEPTION.—The State may, for  
19 good cause, modify the number of hours  
20 required under clause (i) to allow addi-  
21 tional time, not to exceed 150 percent of  
22 the usual timeframe required for comple-  
23 tion of a 2- or 4-year degree, for an indi-  
24 vidual to complete a degree and be consid-  
25 ered a full-time student under a program

1           established with a grant made under this  
2           subsection.

3           (3) MODIFICATION OF ELIGIBLE PARTICIPANT  
4           REQUIREMENTS.—A State may, for good cause,  
5           modify the requirements for an eligible participant  
6           set forth in paragraph (2)(A).

7           (4) SUPPORT SERVICES DESCRIBED.—For pur-  
8           poses of paragraph (1), the support services de-  
9           scribed in this paragraph include 1 or more of the  
10          following during the period the eligible participant is  
11          in the program established with a grant made under  
12          this subsection:

13               (A) Child care for children under age 13 or  
14               for children who are physically or mentally in-  
15               capable of caring for themselves.

16               (B) Transportation services, including—

17                       (i) mileage at a set rate per mile or  
18                       reimbursement for public or private trans-  
19                       portation;

20                       (ii) payment for automotive repairs,  
21                       not to exceed \$500 per academic year on  
22                       a vehicle registered to the eligible partici-  
23                       pant; and

1 (iii) reimbursement for vehicle liability  
2 insurance, not to exceed \$300, for the eli-  
3 gible participant's vehicle.

4 (C) Payment for books and supplies to the  
5 extent that such items are not covered by  
6 grants and loans, not to exceed \$750 per aca-  
7 demic year.

8 (D) Such other expenses, not to exceed  
9 \$500, that the State determines are necessary  
10 for the eligible participant to complete the pro-  
11 gram established under this subsection and that  
12 are not covered by any other available support  
13 services program.

14 (c) AUTHORIZATION OF APPROPRIATIONS.—There  
15 are authorized to be appropriated to carry out this  
16 section—

17 (1) \$25,000,000 for each of fiscal years 2003  
18 through 2007, to carry out the grant program estab-  
19 lished under subsection (a); and

20 (2) \$25,000,000 for each of fiscal years 2003  
21 through 2007, to carry out the grant program estab-  
22 lished under subsection (b).

23 **SEC. 111. TRANSITIONAL JOBS PROGRAMS.**

24 Section 403(a) (42 U.S.C. 603(a)) is amended by  
25 adding at the end the following:



1           “(6) TRANSITIONAL JOBS GRANTS.—

2                   “(A) PURPOSE.—The purpose of this para-  
3 graph is to provide funding so that States and  
4 localities can create and expand transitional  
5 jobs programs that—

6                   “(i) combine time-limited employment  
7 that is subsidized with public funds, with  
8 skill development and barrier removal ac-  
9 tivities, pursuant to an individualized plan;

10                   “(ii) provide job development and  
11 placement assistance to individual program  
12 participants to help them move from sub-  
13 subsidized employment in transitional jobs  
14 into unsubsidized employment, as well as  
15 retention services after the transition to  
16 unsubsidized employment; and

17                   “(iii) serve recipients of assistance  
18 under the State program funded under this  
19 part and other low-income individuals who  
20 have been unable to secure employment  
21 through job search or other employment-  
22 related services because of limited skills,  
23 experience, or other barriers to employ-  
24 ment.

25                   “(B) LIMITATIONS ON USE OF FUNDS.—

1           “(i) ALLOWABLE ACTIVITIES.—An en-  
2           tity to which funds are provided under this  
3           paragraph shall use the funds to operate  
4           transitional jobs programs consistent with  
5           the following:

6                   “(I) An entity which secures a  
7                   grant to operate a transitional jobs  
8                   program (in this subparagraph re-  
9                   ferred to as a ‘program operator’),  
10                  under this paragraph shall place eligi-  
11                  ble individuals in temporary, publicly  
12                  subsidized jobs. Individuals placed in  
13                  such jobs shall perform work directly  
14                  for the program operator, or at other  
15                  public and nonprofit organizations (in  
16                  this subparagraph referred to as  
17                  ‘worksite employers’) within the com-  
18                  munity. Funds provided under this  
19                  paragraph shall be used to subsidize  
20                  100 percent of the wages paid to pro-  
21                  gram participants as well as employer-  
22                  paid payroll costs for such partici-  
23                  pants.

24                   “(II) Transitional jobs programs  
25                  shall provide paid employment for not

1 less than 30, nor more than 40 hours  
2 per week, except that a parent with a  
3 child under the age of 6, a child who  
4 is disabled, or a child with other spe-  
5 cial needs, or an individual who for  
6 other reasons cannot successfully par-  
7 ticipate for 30 to 40 hours per week,  
8 may, at State discretion, be allowed to  
9 participate for more limited hours, but  
10 not less than 20 hours per week.

11 “(III) Program operators shall  
12 provide case management services and  
13 ensure that appropriate education,  
14 training, and other services are avail-  
15 able to program participants con-  
16 sistent with an individual plan devel-  
17 oped for each such participant.

18 “(IV) Program operators shall  
19 provide job placement assistance to  
20 help program participants obtain un-  
21 subsidized employment, and shall pro-  
22 vide retention services for 12 months  
23 after entry into unsubsidized employ-  
24 ment.

1                   “(V) In any work week in which  
2 a program participant is employed at  
3 least 30 hours, not less than 20 per-  
4 cent, nor more than 50 percent of  
5 scheduled hours shall involve partici-  
6 pation in education or training activi-  
7 ties designed to improve the partici-  
8 pant’s employability and potential  
9 earnings, or other services designed to  
10 reduce or eliminate any barriers that  
11 may impede the participant’s ability  
12 to secure unsubsidized employment.

13                   “(VI) The maximum duration of  
14 any placement in a transitional jobs  
15 program shall not be less than 6  
16 months, nor more than 24 months.  
17 Nothing in this subclause shall be  
18 construed to bar a program partici-  
19 pant from moving into unsubsidized  
20 employment at a point prior to the  
21 maximum duration of the program.  
22 States may approve programs of vary-  
23 ing durations consistent with this sub-  
24 clause.

1                   “(VII) Program participants  
2 shall be paid at the rate paid to un-  
3 subsidized employees of the worksite  
4 employer (or program operator where  
5 work is performed directly for the pro-  
6 gram operator) who perform com-  
7 parable work at the worksite where  
8 the individual is placed. If no other  
9 employees perform the same or com-  
10 parable work then wages shall be set,  
11 at a minimum, at 50 percent of the  
12 Lower Living Standard Income Level  
13 (in this subparagraph referred to as  
14 the ‘LLSIL’), as specified in section  
15 101(24) of the Workforce Investment  
16 Act of 1998, for a family of 3 based  
17 on 35 hours per week.

18                   “(VIII) Program participants  
19 shall receive supervision from the  
20 worksite employer or program oper-  
21 ator consistent with the goal of ad-  
22 dressing the limited work experience  
23 and skills of program participants.

24                   “(ii) CONSULTATION.—An application  
25 submitted by an entity seeking to become

1 a program operator shall include an assur-  
2 ance by the applicant that the transitional  
3 jobs program carried out by the applicant  
4 shall—

5 “(I) provide in the design, re-  
6 cruitment, and operation of the pro-  
7 gram for broad-based input from the  
8 community served and potential par-  
9 ticipants in the program and commu-  
10 nity-based agencies with a dem-  
11 onstrated record of experience in pro-  
12 viding services, prospective worksite  
13 employers, local labor organizations  
14 representing employees of prospective  
15 worksite employers, if these entities  
16 exist in the area to be served by the  
17 program, and employers, and member-  
18 ship-based groups that represent low-  
19 income individuals; and

20 “(II) prior to the placement of  
21 program participants, consult with the  
22 appropriate local labor organization, if  
23 any, representing employees in the  
24 area who are engaged in the same or



1 similar work as that proposed to be  
2 carried out by such program.

3 “(iii) ELIGIBILITY FOR OTHER WORK  
4 SUPPORTS.—Program participants shall be  
5 eligible for subsidized child care, transpor-  
6 tation assistance, and other needed support  
7 services on the same basis as other recipi-  
8 ents of cash assistance under the State  
9 program funded under this part.

10 “(iv) WAGES NOT CONSIDERED AS-  
11 SISTANCE.—Wages paid to program par-  
12 ticipants shall not be considered to be as-  
13 sistance for purposes of section 408(a)(7).

14 “(v) PRIVATE SECTOR PLACE-  
15 MENTS.—Not more than 50 percent of the  
16 total number of such participants in tran-  
17 sitional jobs in a State at any time may be  
18 placed at worksite employers which are pri-  
19 vate, for-profit entities.

20 “(C) GENERAL ELIGIBILITY.—

21 “(i) IN GENERAL.—Not less than  $\frac{2}{3}$   
22 of the participants in a transitional jobs  
23 program funded under a grant made under  
24 this paragraph during a fiscal year shall be

1 individuals who are, at the time they enter  
2 the program—

3 “(I) receiving assistance under  
4 the State program funded under this  
5 part;

6 “(II) not receiving assistance  
7 under the State program funded  
8 under this part, but who are unem-  
9 ployed, and who were recipients of  
10 such assistance within the imme-  
11 diately preceding 12-month period;

12 “(III) custodial parents of a  
13 minor child who meet the financial eli-  
14 gibility criteria for assistance under  
15 the State program funded under this  
16 part; or

17 “(IV) noncustodial parents with  
18 income below 150 percent of the pov-  
19 erty line (as defined in section 673(2)  
20 of the Omnibus Budget Reconciliation  
21 Act of 1981, including any revision re-  
22 quired by such section, applicable to a  
23 family of the size involved).

24 “(ii) LIMITATION.—Not more than  $\frac{1}{3}$   
25 of all participants in a transitional jobs

1 program funded under this paragraph dur-  
2 ing a fiscal year shall be individuals who  
3 have attained at least age 18 with an in-  
4 come below 150 percent of the poverty line  
5 (as defined in section 673(2) of the Omni-  
6 bus Budget Reconciliation Act of 1981, in-  
7 cluding any revision required by such sec-  
8 tion, applicable to a family of the size in-  
9 volved) who are not eligible under clause  
10 (i). An individual who is an ex-offender  
11 shall be eligible to participate in a transi-  
12 tional jobs program funded under this  
13 paragraph.

14 “(iii) METHODOLOGY.—The Secretary  
15 may use any reasonable methodology in  
16 calculating whether program participants  
17 satisfying the requirements of clause (i),  
18 constitute  $\frac{2}{3}$  or more of all participants,  
19 and whether program participants satis-  
20 fying the requirements of clause (ii) con-  
21 stitute not more than  $\frac{1}{3}$  of all such par-  
22 ticipants in a fiscal year.

23 “(iv) AUTHORITY TO PROVIDE WORK-  
24 RELATED SERVICES TO INDIVIDUALS WHO  
25 HAVE REACHED THE 5-YEAR LIMIT.—A

1 program operator under this paragraph  
2 may use the funds to provide transitional  
3 job program participation to individuals  
4 who, but for section 408(a)(7), would be  
5 eligible for assistance under the program  
6 funded under this part of the State in  
7 which the program operator is located.

8 “(D) RELATIONSHIP TO OTHER PROVI-  
9 SIONS OF THIS PART.—

10 “(i) RULES GOVERNING USE OF  
11 FUNDS.—The provisions of section 404  
12 (other than subsection (f) thereof) shall  
13 not apply to a grant made under this para-  
14 graph.

15 “(ii) ADMINISTRATION.—Section 416  
16 shall not apply to the programs under this  
17 paragraph.

18 “(iii) PROHIBITION AGAINST USE OF  
19 GRANT FUNDS FOR ANY OTHER FUND  
20 MATCHING REQUIREMENT.—An entity to  
21 which funds are provided under this para-  
22 graph shall not use any part of the funds  
23 to fulfill any obligation of any State or po-  
24 litical subdivision under subsection (b) or

1 section 418 or any other provision of this  
2 Act or other Federal law.

3 “(iv) DEADLINE FOR EXPENDI-  
4 TURE.—An entity to which funds are pro-  
5 vided under this paragraph shall remit to  
6 the Secretary of Labor any part of the  
7 funds that are not expended within 3 years  
8 after the date on which the funds are so  
9 provided.

10 “(v) REGULATIONS.—Within 90 days  
11 after the date of enactment of this para-  
12 graph, the Secretary of Labor, after con-  
13 sultation with the Secretary of Health and  
14 Human Services, shall prescribe such regu-  
15 lations as may be necessary to implement  
16 this paragraph.

17 “(vi) REPORTING REQUIREMENTS.—  
18 The Secretary of Labor, in consultation  
19 with the Secretary of Health and Human  
20 Services, shall establish requirements for  
21 the collection and maintenance of financial  
22 and program participant information and  
23 the reporting of such information by enti-  
24 ties carrying out activities under this para-  
25 graph. Such reporting requirements shall

1 include, at a minimum, that States report  
2 disaggregated data on individual program  
3 participants that include the following:

4 “(I) Demographic information  
5 about the program participant includ-  
6 ing education level, literacy level, and  
7 prior work experience.

8 “(II) Identity of the program op-  
9 erator that provides or provided serv-  
10 ices to the program participant, and  
11 the duration of participation.

12 “(III) The nature of education,  
13 training or other services received by  
14 the program participant.

15 “(IV) Reasons for the program  
16 participant’s leaving the program.

17 “(V) Whether the program par-  
18 ticipant secured unsubsidized employ-  
19 ment during or within 60 days after  
20 the employment of the participant in  
21 a transitional job, and if so, details  
22 about the participant’s unsubsidized  
23 employment including industry, occu-  
24 pation, starting wages and hours, and  
25 availability of employer sponsored



1 health insurance and sick and vaca-  
2 tion leave.

3 “(vii) ADDITIONAL REPORTING RE-  
4 QUIREMENTS.—States shall collect and re-  
5 port followup data for a sampling of pro-  
6 gram participants reflecting their employ-  
7 ment and earning status 12 months after  
8 entering unsubsidized employment.

9 “(E) NATIONAL COMPETITIVE GRANTS.—

10 “(i) IN GENERAL.—The Secretary of  
11 Labor shall award grants in accordance  
12 with this paragraph, in fiscal years 2003  
13 through 2007, for transitional jobs pro-  
14 grams proposed by eligible applicants,  
15 based on the following:

16 “(I) The extent to which the pro-  
17 posal seeks to provide services in mul-  
18 tiple sites that include sites in more  
19 than 1 State.

20 “(II) The extent to which the  
21 proposal seeks to provide services in a  
22 labor market area or region that in-  
23 cludes portions of more than 1 State.

1                   “(III) The extent to which the  
2                   proposal seeks to provide transitional  
3                   jobs in a State.

4                   “(IV) The extent to which the  
5                   applicant proposes to provide transi-  
6                   tional jobs in either rural areas or  
7                   areas where there are a high con-  
8                   centration of residents with income  
9                   that is less than the poverty line.

10                  “(V) The effectiveness of the pro-  
11                  posal in helping individuals who are  
12                  least job ready move into unsubsidized  
13                  jobs that provide pathways to stable  
14                  employment and livable wages.

15                  “(ii) ELIGIBLE APPLICANTS.—In this  
16                  paragraph, the term ‘eligible applicant’  
17                  means—

18                         “(I) a Workforce Investment  
19                         Board for a local workforce area in a  
20                         State;

21                         “(II) a political subdivision of a  
22                         State;

23                         “(III) a State;

24                         “(IV) an Indian tribe; or

25                         “(V) a private entity.

“(iii) FUNDING.—Subject to subparagraphs (F) and (G), of the amount appropriated in subparagraph (H) for a fiscal year, \$25,000,000 of such amount shall be used to make grants under this paragraph for that fiscal year.

“(F) FUNDING FOR INDIAN TRIBES.—1.5 percent of the amount appropriated in subparagraph (H) for each fiscal year shall be reserved for grants to Indian tribes.

“(G) FUNDING FOR EVALUATIONS OF TRANSITIONAL JOBS PROGRAMS.—1.5 percent of the amount appropriated in subparagraph (H) for each fiscal year shall be reserved for use by the Secretary to carry out subparagraph (I).

“(H) APPROPRIATIONS.—

“(i) IN GENERAL.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated for grants under this paragraph, \$25,000,000 for each of fiscal years 2003 through 2007.

“(ii) AVAILABILITY.—The amounts made available pursuant to clause (i) shall

1 remain available for such period as is nec-  
2 essary to make the grants provided for in  
3 this paragraph.

4 “(I) EVALUATION OF TRANSITIONAL JOBS  
5 PROGRAMS.—The Secretary, in consultation  
6 with the Secretary of Labor—

7 “(i) shall develop a plan to evaluate  
8 the extent to which transitional jobs pro-  
9 grams funded under this paragraph have  
10 been effective in promoting sustained, un-  
11 subsidized employment for each group of  
12 eligible participants;

13 “(ii) may evaluate the use of such  
14 grants by such grantees/ as the Secretary  
15 deems appropriate, in accordance with an  
16 agreement entered into with the grantees  
17 after good-faith negotiations; and

18 “(iii) should include the following out-  
19 come measures in the plan developed under  
20 clause (i):

21 “(I) Placements in unsubsidized  
22 employment.

23 “(II) Placements in unsubsidized  
24 employment that last for at least 12  
25 months, and the extent to which indi-

viduals are employed continuously for  
at least 12 months.

“(III) Earnings of individuals  
who obtain employment at the time of  
placement.

“(IV) Earnings of individuals 1  
year after placement.

“(V) The occupations and indus-  
tries in which wage growth and reten-  
tion performance is greatest.

“(VI) Average expenditures per  
participant.”.

**SEC. 112. ENSURING TANF FUNDS ARE NOT USED TO DIS-  
PLACE PUBLIC EMPLOYEES; APPLICATION  
OF WORKPLACE LAWS TO WELFARE RECIPI-  
ENTS.**

(a) WELFARE-TO-WORK WORKER PROTECTIONS.—

(1) IN GENERAL.—Section 403(a)(5)(I) (42  
U.S.C. 603(a)(5)(I)) is amended—

(A) by striking clauses (i) and (iv);

(B) by redesignating clauses (v) and (vi)  
as clauses (iv) and (v), respectively; and

(C) by inserting before clause (ii), the fol-  
lowing:

“(i) NONDISPLACEMENT.—

1                   “(I) IN GENERAL.—An adult in a  
2 family receiving assistance under a  
3 State program funded under this part,  
4 in order to engage in a work activity,  
5 shall not displace any employee or po-  
6 sition (including partial displacement,  
7 such as a reduction in the hours of  
8 nonovertime work, wages, or employ-  
9 ment benefits) or fill any unfilled va-  
10 cancy.

11                   “(II) PROHIBITIONS.—A work  
12 activity engaged in under a program  
13 operated with funds provided under  
14 this paragraph shall not impair any  
15 existing contract for services, be in-  
16 consistent with any existing law, regu-  
17 lation, or collective bargaining agree-  
18 ment, or infringe upon the recall  
19 rights or promotional opportunities of  
20 any worker.

21                   “(III) NO SUPPLANTING OF  
22 OTHER HIRES.—A work activity en-  
23 gaged in under a program operated  
24 with funds provided under this para-  
25 graph shall be in addition to any ac-



1                   tivity that otherwise would be avail-  
2                   able and shall not supplant the hiring  
3                   of an employed worker not funded  
4                   under such program.

5                   “(IV)                                   ENFORCING  
6                   ANTIDISPLACEMENT PROTECTIONS.—

7                   “(aa)   IN   GENERAL.—The  
8                   State shall establish and main-  
9                   tain an impartial grievance pro-  
10                  cedure to resolve any complaints  
11                  alleging violations of the require-  
12                  ments of subclause (I), (II), or  
13                  (III) within 60 days of receipt of  
14                  the complaint and, if a decision is  
15                  adverse to the party who filed  
16                  such grievance or no decision has  
17                  been reached, provide for the  
18                  completion of an arbitration pro-  
19                  cedure within 75 days of receipt  
20                  of the complaint or the adverse  
21                  decision or conclusion of the 60-  
22                  day period, whichever is earlier.

23                  “(bb)   APPEALS.—Appeals  
24                  may be made to the Secretary

who shall make a decision within  
75 days.

“(cc) REMEDIES.—Remedies  
for a violation of the require-  
ments of subclause (I), (II), or  
(III) shall include termination or  
suspension of payments, prohibi-  
tion of the placement of the par-  
ticipant, reinstatement of an em-  
ployee, and other relief to make  
an aggrieved employee whole.

“(dd) LIMITATION ON  
PLACEMENT.—If a grievance is  
filed regarding a proposed place-  
ment of a participant, such place-  
ment shall not be made unless  
such placement is consistent with  
the resolution of the grievance  
pursuant to this subclause.”.

(2) STATE PLAN REQUIREMENT.—Section  
402(a)(1)(A) (42 U.S.C. 602(a)(1)(A)) is amended  
by adding at the end the following:

“(vii) In the case of a State that re-  
ceives a welfare-to-work grant under sec-  
tion 403(a)(5), ensure compliance with the

1 nondisplacement requirements of subpara-  
2 graph (I)(i) of that section.”.

3 (b) APPLICATION OF WORKPLACE LAWS TO WEL-  
4 FARE RECIPIENTS.—Notwithstanding any other provision  
5 of law, workplace laws, including the Fair Labor Stand-  
6 ards Act of 1938 (29 U.S.C. 201 et seq.), the Occupa-  
7 tional Safety and Health Act of 1970 (29 U.S.C. 651 et  
8 seq.), title VII of the Civil Rights Act of 1964 (42 U.S.C.  
9 2000e et seq.), and the Americans with Disabilities Act  
10 of 1990 (42 U.S.C. 12101 et seq.), shall apply to an indi-  
11 vidual who is a recipient of assistance under the temporary  
12 assistance to needy families program funded under part  
13 A of title IV of the Social Security Act (42 U.S.C. 601  
14 et seq.) in the same manner as such laws apply to other  
15 workers. The fact that an individual who is a recipient  
16 of assistance under the temporary assistance to needy  
17 families program is participating in, or seeking to partici-  
18 pate in work activities under that program in satisfaction  
19 of the work activity requirements of the program, shall  
20 not deprive the individual of the protection of any Federal,  
21 State, or local workplace law.

# **TITLE II—STRENGTHENING FAMILIES**

## **Subtitle A—Responsible Fatherhood**

### **SEC. 201. BLOCK GRANTS TO STATES TO ENCOURAGE MEDIA CAMPAIGNS.**

(a) IN GENERAL.—Part D of title IV (42 U.S.C. 651 et seq.) is amended by adding at the end the following:

#### **“SEC. 469C. BLOCK GRANTS TO STATES FOR MEDIA CAM- PAIGNS PROMOTING RESPONSIBLE FATHER- HOOD.**

“(a) DEFINITIONS.—In this section:

“(1) BROADCAST ADVERTISEMENT.—The term ‘broadcast advertisement’ means a communication intended to be aired by a television or radio broadcast station, including a communication intended to be transmitted through a cable channel.

“(2) CHILD AT RISK.—The term ‘child at risk’ means each young child whose family income does not exceed the poverty line.

“(3) POVERTY LINE.—The term ‘poverty line’ has the meaning given such term in section 673(2) of the Omnibus Budget Reconciliation Act of 1981 (including any revision required by such section) that is applicable to a family of the size involved.

1           “(4) PRINTED OR OTHER ADVERTISEMENT.—

2       The term ‘printed or other advertisement’ includes  
3       any communication intended to be distributed  
4       through a newspaper, magazine, outdoor advertising  
5       facility, mailing, or any other type of general public  
6       advertising, but does not include any broadcast ad-  
7       vertisement.

8           “(5) STATE.—The term ‘State’ means each of

9       the 50 States, the District of Columbia, the Com-  
10      monwealth of Puerto Rico, the United States Virgin  
11      Islands, Guam, American Samoa, and the Common-  
12      wealth of the Northern Mariana Islands.

13          “(6) YOUNG CHILD.—The term ‘young child’

14      means an individual under age 5.

15          “(b) STATE CERTIFICATIONS.—Not later than Octo-

16      ber 1 each fiscal year for which a State desires to receive  
17      an allotment under this section, the chief executive officer  
18      of the State shall submit to the Secretary a certification  
19      that the State will—

20           “(1) use such funds to promote the formation

21      and maintenance of married 2-parent families,  
22      strengthen fragile families, and promote responsible  
23      fatherhood through media campaigns conducted in  
24      accordance with the requirements of subsection (d);

1 “(2) return any unused funds to the Secretary  
 2 in accordance with the reconciliation process under  
 3 subsection (e); and

4 “(3) comply with the reporting requirements  
 5 under subsection (f).

6 “(c) PAYMENTS TO STATES.—For each of fiscal years  
 7 2003 through 2007, the Secretary shall pay to each State  
 8 that submits a certification under subsection (b), from any  
 9 funds appropriated under subsection (h), for the fiscal  
 10 year an amount equal to the amount of the allotment de-  
 11 termined for the fiscal year under subsection (g).

12 “(d) ESTABLISHMENT OF MEDIA CAMPAIGNS.—Each  
 13 State receiving an allotment under this section for a fiscal  
 14 year shall use the allotment to conduct media campaigns  
 15 as follows:

16 “(1) CONDUCT OF MEDIA CAMPAIGNS.—

17 “(A) RADIO AND TELEVISION MEDIA CAM-  
 18 PAIGNS.—

19 “(i) PRODUCTION OF BROADCAST AD-  
 20 VERTISEMENTS.—At the option of the  
 21 State, to produce broadcast advertisements  
 22 that promote the formation and mainte-  
 23 nance of married 2-parent families,  
 24 strengthen fragile families, and promote  
 25 responsible fatherhood.



1                   “(ii) AIR TIME CHALLENGE PRO-  
2                   GRAM.—At the option of the State, to es-  
3                   tablish an air time challenge program  
4                   under which the State may spend amounts  
5                   allotted under this section to purchase time  
6                   from a broadcast station to air a broadcast  
7                   advertisement produced under clause (i),  
8                   but only if the State obtains an amount of  
9                   time of the same class and during a com-  
10                  parable period to air the advertisement  
11                  using non-Federal contributions.

12               “(B) OTHER MEDIA CAMPAIGNS.—At the  
13               option of the State, to conduct a media cam-  
14               paign that consists of the production and dis-  
15               tribution of printed or other advertisements  
16               that promote the formation and maintenance of  
17               married 2-parent families, strengthen fragile  
18               families, and promote responsible fatherhood.

19               “(2) ADMINISTRATION OF MEDIA CAMPAIGNS.—  
20               A State may administer media campaigns funded  
21               under this section directly or through grants, con-  
22               tracts, or cooperative agreements with public agen-  
23               cies, local governments, or private entities, including  
24               charitable and religious organizations.

1           “(3) CONSULTATION WITH DOMESTIC VIO-  
2           LENCE ASSISTANCE CENTERS.—In developing broad-  
3           cast and printed advertisements to be used in the  
4           media campaigns conducted under paragraph (1),  
5           the State or other entity administering the campaign  
6           shall consult with representatives of State and local  
7           domestic violence centers.

8           “(4) NON-FEDERAL CONTRIBUTIONS.—In this  
9           subsection, the term ‘non-Federal contributions’ in-  
10          cludes contributions by the State and by public and  
11          private entities. Such contributions may be in cash  
12          or in kind. Such term does not include any amounts  
13          provided by the Federal Government, or services as-  
14          sisted or subsidized to any significant extent by the  
15          Federal Government, or any amount expended by a  
16          State before October 1, 2002.

17          “(e) RECONCILIATION PROCESS.—

18          “(1) 3-YEAR AVAILABILITY OF AMOUNTS AL-  
19          LOTED.—Each State that receives an allotment  
20          under this section shall return to the Secretary any  
21          unused portion of the amount allotted to a State  
22          under this section for a fiscal year not later than the  
23          last day of the second succeeding fiscal year together  
24          with any earnings on such unused portion.

1           “(2) PROCEDURE FOR REDISTRIBUTION OF UN-  
2       USED ALLOTMENTS.—The Secretary shall establish  
3       an appropriate procedure for redistributing to States  
4       that have expended the entire amount allotted under  
5       this section any amount that is—

6           “(A) returned to the Secretary by States  
7       under paragraph (1); or

8           “(B) not allotted to a State under this sec-  
9       tion because the State did not submit a certifi-  
10      cation under subsection (b) by October 1 of a  
11      fiscal year.

12      “(f) REPORTING REQUIREMENTS.—

13           “(1) MONITORING AND EVALUATION.—Each  
14      State receiving an allotment under this section for a  
15      fiscal year shall monitor and evaluate the media  
16      campaigns conducted using funds made available  
17      under this section in such manner as the Secretary,  
18      in consultation with the States, determines appro-  
19      priate.

20           “(2) ANNUAL REPORTS.—Not less frequently  
21      than annually, each State receiving an allotment  
22      under this section for a fiscal year shall submit to  
23      the Secretary reports on the media campaigns con-  
24      ducted under this section at such time, in such man-

1 ner, and containing such information as the Sec-  
2 retary may require.

3 “(g) AMOUNT OF ALLOTMENTS.—

4 “(1) IN GENERAL.—Except as provided in para-  
5 graph (2), of the amount appropriated for the pur-  
6 pose of making allotments under this section for a  
7 fiscal year, the Secretary shall allot to each State  
8 that submits a certification under subsection (b) for  
9 the fiscal year an amount equal to the sum of—

10 “(A) the amount that bears the same ratio  
11 to 50 percent of such funds as the number of  
12 young children in the State (as determined by  
13 the Secretary based on the most reliable data  
14 available) as bears to the number of such chil-  
15 dren in all States; and

16 “(B) the amount that bears the same ratio  
17 to 50 percent of such funds as the number of  
18 children at risk in the State (as so determined)  
19 bears to the number of such children in all  
20 States.

21 “(2) MINIMUM ALLOTMENTS.—No allotment  
22 for a fiscal year under this section shall be less  
23 than—

24 “(A) in the case of a State other than the  
25 Commonwealth of Puerto Rico, the United

1 States Virgin Islands, Guam, American Samoa,  
2 and the Commonwealth of the Northern Mar-  
3 iana Islands, 1 percent of the amount appro-  
4 priated for the fiscal year under subsection (h);  
5 and

6 “(B) in the case of the Commonwealth of  
7 Puerto Rico, the United States Virgin Islands,  
8 Guam, American Samoa, and the Common-  
9 wealth of the Northern Mariana Islands, 0.5  
10 percent of such amount.

11 “(3) PRO RATA REDUCTIONS.—The Secretary  
12 shall make such pro rata reductions to the allot-  
13 ments determined under paragraph (1) as are nec-  
14 essary to comply with the requirements of paragraph  
15 (2).

16 “(h) AUTHORIZATION OF APPROPRIATIONS.—There  
17 is authorized to be appropriated \$25,000,000 for each of  
18 fiscal years 2003 through 2007 for purposes of making  
19 allotments to States under this section.”.

20 (b) EVALUATION.—

21 (1) IN GENERAL.—The Secretary of Health and  
22 Human Services shall conduct an evaluation of the  
23 impact of the media campaigns funded under section  
24 469C of the Social Security Act, as added by sub-  
25 section (a).

1           (2) REPORT.—Not later than December 31,  
 2           2005, the Secretary of Health and Human Services  
 3           shall report to Congress the results of the evaluation  
 4           under paragraph (1).

5           (3) AUTHORIZATION OF APPROPRIATIONS.—  
 6           There is authorized to be appropriated \$1,000,000  
 7           for fiscal year 2003 for purposes of conducting the  
 8           evaluation required under this subsection, to remain  
 9           available until expended.

10 **SEC. 202. RESPONSIBLE FATHERHOOD BLOCK GRANT.**

11           (a) IN GENERAL.—Part D of title IV (42 U.S.C. 651  
 12           et seq.), as amended by section 201, is amended by adding  
 13           at the end the following:

14 **“SEC. 469D. RESPONSIBLE FATHERHOOD BLOCK GRANT.**

15           “(a) DEFINITIONS.—In this section:

16           “(1) CHILD AT RISK.—The term ‘child at risk’  
 17           has the meaning given such term in section  
 18           469C(a)(2).

19           “(2) POVERTY LINE.—The term ‘poverty line’  
 20           has the meaning given such term in section  
 21           469C(a)(3).

22           “(3) STATE.—The term ‘State’ has the mean-  
 23           ing given such term in section 469C(a)(5).



1           “(4) YOUNG CHILD.—The term ‘young child’  
 2       has the meaning given such term in section  
 3       469C(a)(6).

4           “(b) STATE CERTIFICATIONS.—Not later than Octo-  
 5       ber 1 of each fiscal year for which a State desires to re-  
 6       ceive an allotment under this section, the chief executive  
 7       officer of the State shall submit to the Secretary a certifi-  
 8       cation that the State will—

9           “(1) comply with the matching requirements  
 10       under subsection (c)(2);

11          “(2) use such funds—

12               “(A) to promote responsible fatherhood;  
 13       and

14               “(B) to promote or sustain marriage in ac-  
 15       cordance with subparagraph (A) or (B), respec-  
 16       tively, of subsection (d)(2);

17          “(3) return any unused funds to the Secretary  
 18       in accordance with the reconciliation process under  
 19       subsection (e); and

20          “(4) comply with the reporting requirements  
 21       under subsection (f).

22          “(c) PAYMENTS TO STATES.—

23               “(1) IN GENERAL.—Subject to paragraph (2),  
 24       for each of fiscal years 2003 through 2007, the Sec-  
 25       retary shall pay to each State that submits a certifi-

1 cation described in subsection (b), from any funds  
2 appropriated under subsection (h), for the fiscal year  
3 an amount equal to the amount of the allotment de-  
4 termined under subsection (g).

5 “(2) MATCHING REQUIREMENT.—The Sec-  
6 retary may not make a payment to a State under  
7 paragraph (1) unless the State agrees that, with re-  
8 spect to the costs to be incurred by the State in sup-  
9 porting the programs described in subsection (d),  
10 the State will make available non-Federal contribu-  
11 tions in an amount equal to 25 percent of the  
12 amount of Federal funds paid to the State under  
13 such paragraph.

14 “(3) NON-FEDERAL CONTRIBUTIONS.—In this  
15 subsection, the term ‘non-Federal contributions’ in-  
16 cludes contributions by the State and by public and  
17 private entities that may be in cash or in kind, but  
18 does not include any amounts provided by the Fed-  
19 eral Government, or services assisted or subsidized  
20 to any significant extent by the Federal Government  
21 or any amount expended by a State before October  
22 1, 2002.

23 “(d) RESPONSIBLE FATHERHOOD PROGRAMS.—

24 “(1) SUPPORT OF PROGRAMS.—A State shall  
25 use the allotments received under this section to

1 support programs described in paragraph (2) di-  
2 rectly or through a grant, contract, or cooperative  
3 agreement with any public agency, local government,  
4 or private entity (including any charitable or reli-  
5 gious organization) with experience in administering  
6 such a program.

7 “(2) PROGRAMS DESCRIBED.—Responsible fa-  
8 therhood programs include programs that—

9 “(A) promote marriage through such ac-  
10 tivities as counseling, mentoring, disseminating  
11 information about the benefits of marriage and  
12 2-parent involvement for children, enhancing re-  
13 lationship skills, teaching on how to control ag-  
14 gressive behavior, and disseminating informa-  
15 tion on the causes of domestic violence and  
16 child abuse;

17 “(B) sustain marriages through marriage  
18 preparation programs, premarital counseling,  
19 marital inventories, skills-based marriage edu-  
20 cation, financial planning seminars, and divorce  
21 education and reduction programs, including  
22 mediation and counseling;

23 “(C) promote responsible parenting  
24 through such activities as counseling, men-  
25 toring, disseminating information about good

1 parenting practices, skills-based parenting edu-  
2 cation, encouraging child support payments,  
3 and other methods; and

4 “(D) help fathers and their families avoid  
5 or leave cash welfare and improve their eco-  
6 nomic status by providing such activities as  
7 work first services, job search, job training,  
8 subsidized employment, job retention, job en-  
9 hancement, and encouraging education, includ-  
10 ing career-advancing education, dissemination  
11 of employment materials, coordination with ex-  
12 isting employment services such as Welfare to  
13 Work and referrals to local employment train-  
14 ing initiatives, and other methods.

15 “(3) TARGETED LOW-INCOME PARTICIPANTS.—  
16 Not less than 50 percent of the participants in each  
17 program supported under paragraph (1) shall be—

18 “(A) parents of a child who is, or within  
19 the past 24 months has been, a recipient of as-  
20 sistance or services under a State program  
21 funded under this part and under a State pro-  
22 gram funded under part A; or

23 “(B) parents, including an expectant par-  
24 ent or a married parent, whose income (after  
25 adjustment for court-ordered child support paid

or received) does not exceed 150 percent of the poverty line.

“(4) CONSULTATION WITH DOMESTIC VIOLENCE ASSISTANCE CENTERS.—Each State or entity administering a program supported under paragraph (1) shall consult with representatives of State and local domestic violence centers.

“(5) SUPPLEMENT NOT SUPPLANT.—Amounts allotted to a State under this section shall be used to supplement and not supplant other Federal, State, or local funds provided to the State under this part or any other provision of law that are used to support programs and activities similar to the responsible fatherhood program described in paragraph (2).

“(6) RESTRICTIONS ON USE.—No amount allotted under this section may be used for court proceedings on matters of child visitation or child custody, or for legislative advocacy.

“(e) RECONCILIATION PROCESS.—

“(1) 3-YEAR AVAILABILITY OF AMOUNTS ALLOTTED.—Each State that receives an allotment under this section shall return to the Secretary any unused portion of the amount allotted to a State under this section for a fiscal year not later than the



1 last day of the second succeeding fiscal year, to-  
2 gether with any earnings on such unused portion.

3 “(2) PROCEDURE FOR REDISTRIBUTION OF UN-  
4 USED ALLOTMENTS.—The Secretary shall establish  
5 an appropriate procedure for redistributing to States  
6 that have expended the entire amount allotted under  
7 this section any amount that is—

8 “(A) returned to the Secretary by States  
9 under paragraph (1); or

10 “(B) not allotted to a State under this sec-  
11 tion because the State did not submit a certifi-  
12 cation under subsection (b) by October 1 of a  
13 fiscal year.

14 “(f) REPORTING REQUIREMENTS.—

15 “(1) MONITORING AND EVALUATION.—Each  
16 State receiving an allotment under this section shall  
17 monitor and evaluate the programs supported using  
18 funds made available under this section in such  
19 manner as the Secretary, in consultation with the  
20 States, determines appropriate.

21 “(2) ANNUAL REPORTS.—Not less frequently  
22 than annually, each State receiving an allotment  
23 under this section for a fiscal year shall submit to  
24 the Secretary reports on the programs supported  
25 under this section at such time, in such manner, and



1 containing such information as the Secretary may  
2 reasonably require.

3 “(g) AMOUNT OF ALLOTMENTS.—

4 “(1) IN GENERAL.—Except as provided in para-  
5 graph (2), of the amount appropriated for the pur-  
6 pose of making allotments under this section for a  
7 fiscal year the Secretary shall allot to each State  
8 that submits a certification under subsection (b) for  
9 that fiscal year an amount equal to the sum of—

10 “(A) the amount that bears the same ratio  
11 to 50 percent of such funds as the number of  
12 young children in the State (as determined by  
13 the Secretary based on the most reliable data  
14 available) as bears to the number of such chil-  
15 dren in all States; and

16 “(B) the amount that bears the same ratio  
17 to 50 percent of such funds as the number of  
18 children at risk in the State (as so determined)  
19 bears to the number of such children in all  
20 States.

21 “(2) MINIMUM ALLOTMENTS.—No allotment for  
22 a fiscal year under this section shall be less than—

23 “(A) in the case of a State other than the  
24 Commonwealth of Puerto Rico, the United  
25 States Virgin Islands, Guam, American Samoa,

1           and the Commonwealth of the Northern Mar-  
2           iana Islands, 1 percent of the amount appro-  
3           priated for the fiscal year under subsection (h);  
4           and

5                   “(B) in the case of the Commonwealth of  
6           Puerto Rico, the United States Virgin Islands,  
7           Guam, American Samoa, and the Common-  
8           wealth of the Northern Mariana Islands, 0.5  
9           percent of such amount.

10           “(3) PRO RATA REDUCTIONS.—The Secretary  
11          shall make such pro rata reductions to the allot-  
12          ments determined under paragraph (1) as are nec-  
13          essary to comply with the requirements of paragraph  
14          (2).

15           “(h) AUTHORIZATION OF APPROPRIATIONS.—There  
16          is authorized to be appropriated \$50,000,000 for each of  
17          fiscal years 2003 through 2007 for purposes of making  
18          allotments to States under this section.”.

19          (b) EVALUATION AND REPORT.—

20                   (1) EVALUATION.—

21                           (A) IN GENERAL.—The Secretary of  
22                   Health and Human Services (in this subsection  
23                   referred to as the “Secretary”), in consultation  
24                   with the Secretary of Labor, shall, directly or  
25                   through a grant, contract, or interagency agree-

1           ment, conduct an evaluation of the projects  
2           funded under section 469D of the Social Secu-  
3           rity Act (as added by subsection (a)).

4           (B) OUTCOMES ASSESSMENT.—The eval-  
5           uation conducted under subparagraph (A) shall  
6           assess, among other outcomes selected by the  
7           Secretary, effects of the projects on marriage,  
8           parenting, employment, earnings, payment of  
9           child support, and incidence of domestic vio-  
10          lence and child abuse.

11          (C) PROJECT SELECTION.—In selecting  
12          projects for the evaluation, the Secretary should  
13          include projects that are most likely to further  
14          the purposes of this section.

15          (D) RANDOM ASSIGNMENT.—In conducting  
16          the evaluation, random assignment should be  
17          used wherever possible.

18          (2) REPORT.—Not later than December 31,  
19          2005, the Secretary shall submit to Congress a re-  
20          port on the results of the evaluation conducted  
21          under paragraph (1).

22          (3) AUTHORIZATION OF APPROPRIATIONS.—  
23          There is authorized to be appropriated \$1,000,000  
24          for each of fiscal years 2003 through 2007 to carry  
25          out this subsection.

1 **SEC. 203. NATIONAL CLEARINGHOUSE FOR RESPONSIBLE**  
2 **FATHERHOOD PROGRAMS.**

3 Part D of title IV (42 U.S.C. 651), as amended by  
4 section 202, is amended by adding at the end the fol-  
5 lowing:

6 **“SEC. 469E. MEDIA CAMPAIGN AND NATIONAL CLEARING-**  
7 **HOUSE FOR RESPONSIBLE FATHERHOOD.**

8 **“(a) MEDIA CAMPAIGN AND NATIONAL CLEARING-**  
9 **HOUSE.—**

10 **“(1) IN GENERAL.—**From any funds appro-  
11 priated under subsection (c), the Secretary shall con-  
12 tract with a nationally recognized, nonprofit father-  
13 hood promotion organization described in subsection  
14 (b) to—

15 **“(A)** develop, promote, and distribute to  
16 interested States, local governments, public  
17 agencies, and private entities a media campaign  
18 that encourages the appropriate involvement of  
19 both parents in the life of any child of the par-  
20 ents, with a priority for programs that specifi-  
21 cally address the issue of responsible father-  
22 hood; and

23 **“(B)** develop a national clearinghouse to  
24 assist States and communities in efforts to pro-  
25 mote and support marriage and responsible fa-  
26 therhood by collecting, evaluating, and making

available (through the Internet and by other means) to other States information regarding the media campaigns established under section 469C.

“(2) COORDINATION WITH DOMESTIC VIOLENCE PROGRAMS.—The Secretary shall ensure that the nationally recognized nonprofit fatherhood promotion organization with a contract under paragraph (1) coordinates the media campaign developed under subparagraph (A) of such paragraph and the national clearinghouse developed under subparagraph (B) of such paragraph with a national, State, or local domestic violence program.

“(b) NATIONALLY RECOGNIZED, NONPROFIT FATHERHOOD PROMOTION ORGANIZATION DESCRIBED.—The nationally recognized, nonprofit fatherhood promotion organization described in this subsection is such an organization that has at least 4 years of experience in—

“(1) designing and disseminating a national public education campaign, including the production and successful placement of television, radio, and print public service announcements that promote the importance of responsible fatherhood; and

“(2) providing consultation and training to community-based organizations interested in imple-



1       menting fatherhood outreach, support, or skill devel-  
2       opment programs with an emphasis on promoting  
3       married fatherhood as the ideal.

4       “(c) AUTHORIZATION OF APPROPRIATIONS.—There  
5       is authorized to be appropriated \$50,000,000 for fiscal  
6       year 2003 to carry out this section.”.

7       **SEC. 204. POLICY REVIEWS AND DEMONSTRATION**  
8                               **PROJECTS TO COORDINATE SERVICES FOR**  
9                               **LOW-INCOME, NONCUSTODIAL PARENTS.**

10       Part D of title IV (42 U.S.C. 651), as amended by  
11       section 203, is amended by adding at the end the fol-  
12       lowing:

13       **“SEC. 469F. GRANTS TO CONDUCT POLICY REVIEWS AND**  
14                               **DEMONSTRATION PROJECTS TO COORDI-**  
15                               **NATE SERVICES FOR LOW-INCOME, NON-**  
16                               **CUSTODIAL PARENTS.**

17       “(a) POLICY REVIEWS.—The Secretary shall make  
18       grants to States desiring to conduct policy reviews and de-  
19       velop recommendations with the goals of—

20               “(1) obtaining and retaining employment, in-  
21       creasing child support payments, and increasing the  
22       involvement of low-income, noncustodial parents with  
23       their children; and

24               “(2) coordinating policies and services for low-  
25       income, noncustodial parents among the different



1 systems or programs in which such parents are in-  
2 volved, including the criminal justice system, the  
3 State program funded under part A, the State pro-  
4 gram funded under this part, and job training or  
5 employment programs.

6 “(b) DEMONSTRATION PROJECTS.—

7 “(1) IN GENERAL.—The Secretary shall make  
8 grants to States desiring to conduct a demonstration  
9 project for the purpose of—

10 “(A) testing innovative policies and to bet-  
11 ter coordinate policies and services for low-in-  
12 come, noncustodial parents to accomplish the  
13 goals described in subsection (a); or

14 “(B) if the State conducted a policy review  
15 with a grant made under subsection (a) and de-  
16 sires to implement the recommendations of that  
17 review, implementing such recommendations.

18 “(2) USE OF FUNDS.—Funds made available  
19 under a grant made under this subsection may be  
20 used to provide a wide variety of services to, and to  
21 implement policies regarding, low-income, noncusto-  
22 dial parents, including providing economic incentives  
23 (with or without penalty) to increase the employ-  
24 ment of such parents or to increase the amount of  
25 child support paid by such parents.

1       “(c) APPLICATION.—A State desiring to receive a  
 2 grant to conduct a policy review under subsection (a) or  
 3 a grant to conduct a demonstration project under sub-  
 4 section (b) shall submit an application to the Secretary  
 5 at such time, in such manner, and containing such infor-  
 6 mation as the Secretary may require.

7       “(d) AUTHORIZATION OF APPROPRIATIONS.—Out of  
 8 any money in the Treasury of the United States not other-  
 9 wise appropriated, there are authorized to be appropriated  
 10 to carry out this section, \$30,000,000 for each of fiscal  
 11 years 2003 through 2007.”.

## 12       **Subtitle B—Additional Provisions** 13               **To Strengthen Families**

### 14       **SEC. 211. BAN ON IMPOSITION OF STRICTER ELIGIBILITY** 15               **CRITERIA FOR 2-PARENT FAMILIES.**

16       (a) PROHIBITION.—Section 408(a) (42 U.S.C.  
 17 608(a)) is amended by adding at the end the following:

18               “(12) BAN ON IMPOSITION OF STRICTER ELIGI-  
 19 BILITY CRITERIA FOR 2-PARENT FAMILIES.—In de-  
 20 termining the eligibility of a 2-parent family for as-  
 21 sistance under a State program funded under this  
 22 part, the State shall not impose a requirement that  
 23 does not apply in determining the eligibility of a 1-  
 24 parent family for such assistance.”.

1 (b) PENALTY.—Section 409(a) (42 U.S.C. 609(a)) is  
 2 amended by adding at the end the following:

3 “(15) PENALTY FOR IMPOSITION OF STRICTER  
 4 ELIGIBILITY CRITERIA FOR 2-PARENT FAMILIES.—

5 “(A) IN GENERAL.—If the Secretary deter-  
 6 mines that a State to which a grant is made  
 7 under section 403 for a fiscal year has violated  
 8 section 408(a)(12) during the fiscal year, the  
 9 Secretary shall reduce the grant payable to the  
 10 State under section 403(a)(1) for the imme-  
 11 diately succeeding fiscal year by an amount  
 12 equal to 5 percent of the State family assist-  
 13 ance grant.

14 “(B) PENALTY BASED ON SEVERITY OF  
 15 FAILURE.—The Secretary shall impose reduc-  
 16 tions under subparagraph (A) with respect to a  
 17 fiscal year based on the degree of noncompli-  
 18 ance.”.

19 **SEC. 212. NONCUSTODIAL PARENT EMPLOYMENT GRANT**  
 20 **PROGRAM.**

21 (a) AUTHORITY TO AWARD GRANTS.—The Secretary  
 22 of Health and Human Services and the Secretary of Labor  
 23 (in this section referred to as the “Secretaries”) jointly  
 24 shall award grants to eligible States for the purpose of  
 25 establishing, in coordination with counties and other local

1 governments, court-supervised employment programs for  
2 noncustodial parents who have a history of nonpayment  
3 of child support obligations, as determined by a court, and  
4 who are determined by the court to be in need of employ-  
5 ment services or placement in order to pay such child sup-  
6 port obligations. A noncustodial parent described in the  
7 preceding sentence who is an ex-offender shall be eligible  
8 to participate in a program established with a grant made  
9 under this section.

10 (b) ELIGIBLE STATE.—In this section, the term “eli-  
11 gible State” means a State that has obtained a commit-  
12 ment from at least 1 county within the State to establish  
13 a court-supervised employment program to provide non-  
14 custodial parents described in subsection (a) with an op-  
15 tion to participate in that program prior to the court en-  
16 tering a finding that the noncustodial parent is in con-  
17 tempt of court for failure to pay a child support obligation  
18 and, possibly be subject to criminal penalties.

19 (c) ADMINISTRATION.—An eligible State that receives  
20 a grant under this section may contract with a public, pri-  
21 vate, faith-based or community-based organization to ad-  
22 minister (in conjunction with the court of jurisdiction) the  
23 court-supervised employment program .

24 (d) PROGRAM GOALS AND REQUIREMENT.—

1           (1) GOALS.—The goals of a court-supervised  
2 employment program established with funds made  
3 available under a grant made under this section  
4 shall include the following:

5           (A) To assist noncustodial parents de-  
6 scribed in subsection (a) establish a pattern of  
7 regular child support payments by obtaining  
8 and maintaining unsubsidized employment.

9           (B) To increase the dollar amount and  
10 total number of court-ordered child support col-  
11 lected.

12           (C) To help noncustodial parents described  
13 in subsection (a) improve relationships with  
14 their children.

15           (2) REQUIREMENT.—A court-supervised em-  
16 ployment program established with funds made  
17 available under a grant made under this section  
18 shall not permit a noncustodial parent placed in the  
19 program to graduate from the program and avoid  
20 penalties for failure to pay a child support obligation  
21 until the noncustodial parent completes at least 6  
22 months of continuous, timely payment of the par-  
23 ent's child support obligations.

24           (e) USE OF FUNDS.—Services provided under a  
25 court-supervised employment program established with



1 funds made available under a grant made under this sec-  
 2 tion may include the following:

- 3 (1) Job development.
- 4 (2) Supervised job search.
- 5 (3) Job placement.
- 6 (4) Case management.
- 7 (5) Court liaison services.
- 8 (6) Educational assessment.
- 9 (7) Educational referrals.
- 10 (8) Vocational assessment.
- 11 (9) Counseling on responsible fatherhood.
- 12 (10) Support funds for services such as trans-  
 13 portation or short-term training.
- 14 (11) Referral for support services.
- 15 (12) Employment retention services.
- 16 (13) Outreach to community agencies con-  
 17 cerning bonding programs.

18 (f) AMOUNT OF GRANTS.—

- 19 (1) IN GENERAL.—The Secretaries shall deter-  
 20 mine the amount of each grant to be awarded under  
 21 this section, taking into account the number of coun-  
 22 ties participating in an eligible State and the popu-  
 23 lation of the noncustodial parents to be served by  
 24 the employment programs in that State.



(2) PRIORITY FOR CERTAIN PROGRAMS.—In awarding grants under this section, the Secretaries shall give priority to eligible States with programs that are designed to target noncustodial parents whose income does not exceed 150 percent of the poverty line (as defined in section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2))), including any revision required by such section applicable to a family of the size involved).

(g) MATCHING REQUIREMENT.—

(1) IN GENERAL.—The Secretaries may not award a grant to an eligible State under this section unless the eligible State agrees that, with respect to the costs to be incurred by the eligible State in supporting the court-supervised employment program established with funds provided under the grant, the State will make available non-Federal contributions in an amount equal to 25 percent of the amount of Federal funds paid to the State under such grant.

(2) NON-FEDERAL CONTRIBUTIONS.—In this subsection, the term “non-Federal contributions” includes contributions by the State and by public and private entities that may be in cash or in kind, but does not include any amounts provided by the Federal Government, or services assisted or subsidized

1 to any significant extent by the Federal Government  
2 or any amount expended by a State before October  
3 1, 2002.

4 (h) APPLICATION.—In order to receive a grant under  
5 this section, an eligible State shall submit an application  
6 to the Secretaries, at such time and in such manner as  
7 the Secretaries may require, and that includes the fol-  
8 lowing:

9 (1) Evidence of an agreement between the State  
10 and 1 or more counties to establish a court-super-  
11 vised employment program that meets the require-  
12 ments of this section.

13 (2) The number of potential noncustodial par-  
14 ents to be served by the program.

15 (3) The purposes specific to that State's pro-  
16 gram.

17 (4) The income of the target population.

18 (5) The amount of proposed grant funds to be  
19 awarded.

20 (6) A certification that the State matching re-  
21 quirements of subsection (g) will be satisfied if the  
22 grant is awarded to that State.

23 (7) Such other information as the Secretaries  
24 deem appropriate.

1 (i) AUTHORIZATION OF APPROPRIATIONS.—There  
 2 are authorized to be appropriated to award grants under  
 3 this section, \$200,000,000 for each of fiscal years 2003  
 4 through 2007.

## 5 **Subtitle C—Teen Pregnancy** 6 **Prevention Grants**

### 7 **SEC. 221. TEEN PREGNANCY PREVENTION GRANTS.**

8 Section 403(a)(2) (42 U.S.C. 603(a)(2)) is amended  
 9 to read as follows:

10 “(2) GRANTS TO PREVENT TEEN PREG-  
 11 NANCY.—

12 “(A) SUBMISSION OF PLAN.—

13 “(i) IN GENERAL.—Each State that  
 14 submits a plan that meets the require-  
 15 ments of clause (ii) shall be entitled to re-  
 16 ceive from the Secretary a teen pregnancy  
 17 prevention grant in the amount determined  
 18 under subparagraph (B) for each of fiscal  
 19 years 2003 through 2007.

20 “(ii) PLAN REQUIREMENTS.—A plan  
 21 meets the requirements of this clause if the  
 22 plan—

23 “(I) describes the State’s numer-  
 24 ical goal for reducing teen pregnancy  
 25 and teen births;

1                   “(II) identifies the strategies to  
2                   be used to achieve such goal; and

3                   “(III) describes the efforts the  
4                   State will make to involve young men,  
5                   as well as young women, in delaying  
6                   pregnancy and parenting.

7                   “(B) GRANT AMOUNT.—

8                   “(i) IN GENERAL.—The Secretary  
9                   shall allot to each State with a plan ap-  
10                  proved under subparagraph (A) an amount  
11                  equal to—

12                  “(I) with respect to fiscal year  
13                  2003, the amount that bears the same  
14                  ratio to the amount of funds appro-  
15                  priated under subparagraph (G) for  
16                  such fiscal year as the proportion of  
17                  births in the State to teens under age  
18                  20 bears to the number of such births  
19                  in all States; and

20                  “(II) with respect to each of fis-  
21                  cal years 2004 through 2007, the  
22                  amount that bears the same ratio to  
23                  50 percent of the amount of funds ap-  
24                  propriated under subparagraph (G)  
25                  for each such fiscal year as the pro-

1           portion of births in the State to teens  
2           under age 20 bears to the number of  
3           such births in all States.

4           “(ii) INCENTIVE FUNDS.—In addition  
5           to the amount determined for a State  
6           under clause (i)(II), in the case of a State  
7           that is a high achieving State (as defined  
8           in clause (iii)), the Secretary shall allot to  
9           such high achieving State with respect to  
10          each of fiscal years 2004 through 2007,  
11          the amount that bears the same ratio to  
12          50 percent of the amount of funds appro-  
13          priated under subparagraph (G) for each  
14          such fiscal year as the proportion of teens  
15          under age 20 in the high achieving State  
16          bears to the number of such teens in all  
17          such high achieving States.

18          “(iii) DEFINITION OF HIGH ACHIEV-  
19          ING STATE.—In this paragraph, the term  
20          ‘high achieving State’ means a State that  
21          has achieved an annual decline in the teen  
22          birth rate for the State as compared to the  
23          preceding year (or the most recent year for  
24          which data is available) of at least 2.5 per-  
25          cent.

1                   “(iv) DETERMINATION OF TEEN  
2 BIRTH RATES.—For purposes of this sub-  
3 paragraph, the teen birth rate for a State  
4 shall be determined on the basis of the  
5 birth rate per 1,000 women, ages 15  
6 through 19, who reside in the State.

7                   “(C) USE OF FUNDS.—A State shall use  
8 funds provided under a grant made under this  
9 paragraph to implement teen pregnancy preven-  
10 tion strategies that—

11                   “(i) are abstinence-first, in that the  
12 strategies use a message that strongly em-  
13 phasizes abstinence as the only certain way  
14 to avoid pregnancy and sexually trans-  
15 mitted infections while still allowing State  
16 flexibility to discuss other prevention meth-  
17 ods;

18                   “(ii) replicate or substantially incor-  
19 porate the elements of 1 or more teen  
20 pregnancy prevention programs that have  
21 been proven (on the basis of rigorous sci-  
22 entific research) to delay or decrease sex-  
23 ual intercourse or sexual activity or reduce  
24 teenage pregnancy; and



1                   “(iii) incorporate 1 or more of the fol-  
 2                   lowing strategies for preventing teen  
 3                   pregnancy—

4                   “(I) encouraging teenagers to  
 5                   delay sexual activity;

6                   “(II) youth development pro-  
 7                   grams;

8                   “(III) community or service  
 9                   learning programs; or

10                  “(IV) outreach or media pro-  
 11                  grams.

12                  “(D) SUBGRANT OR CONTRACT RECIPI-  
 13                  ENTS.—

14                  “(i) IN GENERAL.—Subject to clause  
 15                  (ii), a State to which a grant is made  
 16                  under this paragraph for a fiscal year may  
 17                  award subgrants or contracts to—

18                  “(I) State or local nonprofit coa-  
 19                  litions working to prevent teenage  
 20                  pregnancy;

21                  “(II) State, local, or tribal agen-  
 22                  cies;

23                  “(III) schools;

24                  “(IV) entities that provide after  
 25                  school programs;

1                   “(V) nonprofit community or  
2                   faith-based organizations; or

3                   “(VI) other organizations des-  
4                   ignated by the State.

5                   “(ii) SET-ASIDE FOR TRIBAL AGEN-  
6                   CIES.—Not less than an amount equal to  
7                   1.5 percent of the amount of a grant made  
8                   to a State under this paragraph for a fiscal  
9                   year shall be used to award subgrants or  
10                  contracts to tribal agencies.

11                  “(E) SUPPLEMENTATION OF FUNDS.—A  
12                  State to which a grant is made under this para-  
13                  graph for a fiscal year shall use funds provided  
14                  under the grant to supplement and not sup-  
15                  plant funds that would otherwise be available to  
16                  the State for preventing teen pregnancy.

17                  “(F) DATA REPORTING.—A State to which  
18                  a grant is made under this paragraph for a fis-  
19                  cal year shall cooperate with the Secretary to  
20                  collect information and report on outcomes of  
21                  programs funded under the grant, as specified  
22                  by the Secretary.

23                  “(G) APPROPRIATION.—Out of any money  
24                  in the Treasury of the United States not other-

1           wise appropriated, there are appropriated for  
2           making grants under this paragraph—

3                       “(i) for fiscal year 2003, \$50,000,000;

4                       and

5                       “(ii) for each of fiscal years 2004

6                       through 2007, \$100,000,000.”.

7   **SEC. 222. TEEN PREGNANCY PREVENTION RESOURCE CEN-**  
8                       **TER.**

9           (a) **AUTHORITY TO ESTABLISH.—**

10           (1) **IN GENERAL.—**The Secretary of Health and  
11   Human Services (in this section referred to as the  
12   “Secretary”) shall make a grant to a nationally rec-  
13   ognized, nonpartisan, nonprofit organization that  
14   meets the requirements described in paragraph (2)  
15   to establish and operate a national teen pregnancy  
16   prevention resource center (in this section referred  
17   to as the “Resource Center”) to carry out the pur-  
18   poses and activities described in subsection (b).

19           (2) **CONTRACTOR REQUIREMENTS.—**The re-  
20   quirements described in this paragraph are the fol-  
21   lowing:

22                       (A) The organization has at least 5 years  
23           of experience in working with diverse sectors of  
24           society to reduce teen pregnancy.

1 (B) The organization has a demonstrated  
2 ability to work with and provide assistance to a  
3 broad range of individuals and entities, includ-  
4 ing teens, parents, the entertainment and news  
5 media, State, tribal, and local organizations,  
6 networks of teen pregnancy prevention practi-  
7 tioners, businesses, faith and community lead-  
8 ers, and researchers.

9 (C) The organization is research-based and  
10 has capabilities in scientific analysis and eval-  
11 uation.

12 (D) The organization has comprehensive  
13 knowledge and data about teen pregnancy pre-  
14 vention strategies.

15 (E) The organization has experiences oper-  
16 ating a resource center that carries out activi-  
17 ties similar to the activities described in sub-  
18 section (b)(2).

19 (b) PURPOSES AND ACTIVITIES.—

20 (1) PURPOSES.—The purposes of the Resource  
21 Center are to—

22 (A) provide information and technical as-  
23 sistance to States, Indian tribes, local commu-  
24 nities, and other public or private organizations  
25 seeking to reduce rates of teen pregnancy; and

(B) assist such entities in their efforts to work through all forms of media to communicate effective messages about preventing teen pregnancy, including messages that focus on abstinence, responsible behavior, family communication, relationships, and values.

(2) ACTIVITIES.—The Resource Center shall carry out the purposes described in paragraph (1) through the following activities:

(A) Synthesizing and disseminating research and information regarding effective and promising practices to prevent teen pregnancy.

(B) Developing and providing information on how to design and implement effective programs to prevent teen pregnancy.

(C) Helping States, local communities, and other organizations increase their knowledge of existing resources that can be used to advance teen pregnancy prevention efforts.

(D) Linking organizations working to reduce teen pregnancy with experts and peer groups, including the creation of technical assistance networks.

(E) Providing consultation and resources on how to reduce teen pregnancy through a

1 broad array of strategies, including enlisting the  
2 help of various sectors of society such as par-  
3 ents, other adults (such as coaches and men-  
4 tors), community or faith-based groups, the en-  
5 tertainment and news media, business, and  
6 other teens.

7 (F) Working directly with individuals and  
8 organizations in the entertainment industry to  
9 provide consultation and serve as a source of  
10 factual information on issues related to teen  
11 pregnancy prevention.

12 (c) MEDIA CAMPAIGNS.—

13 (1) IN GENERAL.—The organization operating  
14 the Resource Center may use a portion of the funds  
15 appropriated to carry out this section to develop and  
16 implement media campaigns directly or through  
17 grants, contracts, or cooperative agreements with  
18 other entities. Such campaigns may include the pro-  
19 duction and distribution of printed materials and  
20 messages for print media, television and radio broad-  
21 cast media, the Internet, or such other media as  
22 may be appropriate for reaching large numbers of  
23 young people and their parents.

24 (2) MATCHING.—To the extent possible, funds  
25 used to develop and implement media campaigns



1 under this subsection should be matched with non-  
2 Federal resources, including in-kind contributions,  
3 from public and private entities.

4 (d) COLLABORATION WITH OTHER ORGANIZA-  
5 TIONS.—The organization operating the Resource Center  
6 shall collaborate with other nonprofit organizations that  
7 have expertise and interest in teen pregnancy prevention.

8 (e) EVALUATION.—

9 (1) RESERVATION AND AVAILABILITY OF  
10 FUNDS.—Of the amount appropriated under sub-  
11 section (f) for fiscal year 2003, \$5,000,000 shall be  
12 reserved for use by the Secretary of Health and  
13 Human Services to prepare an interim and final re-  
14 port summarizing and synthesizing outcomes and  
15 lessons learned from the activities funded under this  
16 section. Funds reserved under the preceding sen-  
17 tence shall remain available for expenditure through  
18 fiscal year 2007.

19 (2) REQUIRED INFORMATION.—Each report re-  
20 quired under paragraph (1) shall include—

21 (A) a rigorous scientific evaluation of at  
22 least 3 such activities that are selected to rep-  
23 resent a diversity of strategies; and

1 (B) an assessment of the ability to rep-  
 2 licate and expand activities that have proven ef-  
 3 fective on a smaller scale.

4 (f) AUTHORIZATION OF APPROPRIATIONS.—There  
 5 are authorized to be appropriated to the Secretary of  
 6 Health and Human Services to carry out this section,  
 7 \$10,000,000 for each of fiscal years 2003 through 2007.

8 **SEC. 223. ESTABLISHING NATIONAL GOALS TO PREVENT**  
 9 **TEEN PREGNANCY.**

10 Section 905 of the Personal Responsibility and Work  
 11 Opportunity Reconciliation Act of 1996 (42 U.S.C. 710  
 12 note) is amended to read as follows:

13 **“SEC. 905. ESTABLISHING NATIONAL GOALS TO PREVENT**  
 14 **TEEN PREGNANCY.**

15 “(a) IN GENERAL.—Not later than January 1, 2003,  
 16 the Secretary of Health and Human Services shall estab-  
 17 lish a national goal of reducing teen pregnancy by at least  
 18 25 percent by January 1, 2013.

19 “(b) REPORT.—Not later than June 30, 2003, and  
 20 annually thereafter, the Secretary of Health and Human  
 21 Services shall report to Congress with respect to the  
 22 progress that has been made in meeting the national goal  
 23 established under subsection (a).”.

**Subtitle D—Child Support**  
**Distribution to Families First**  
**CHAPTER 1—DISTRIBUTION OF CHILD**  
**SUPPORT**

**SEC. 231. DISTRIBUTION OF CHILD SUPPORT COLLECTED**  
**BY STATES ON BEHALF OF CHILDREN RE-**  
**CEIVING CERTAIN WELFARE BENEFITS.**

(a) MODIFICATION OF RULE REQUIRING ASSIGN-  
MENT OF SUPPORT RIGHTS AS A CONDITION OF RECEIV-  
ING TANF.—Section 408(a)(3) (42 U.S.C. 608(a)(3)) is  
amended to read as follows:

“(3) NO ASSISTANCE FOR FAMILIES NOT AS-  
SIGNING CERTAIN SUPPORT RIGHTS TO THE  
STATE.—A State to which a grant is made under  
section 403 shall require, as a condition of paying  
assistance to a family under the State program  
funded under this part, that a member of the family  
assign to the State any rights the family member  
may have (on behalf of the family member or of any  
other person for whom the family member has ap-  
plied for or is receiving such assistance) to support  
from any other person, not exceeding the total  
amount of assistance so paid to the family, which ac-  
crues during the period that the family receives as-  
sistance under the program.”.

1 (b) INCREASING CHILD SUPPORT PAYMENTS TO  
 2 FAMILIES AND SIMPLIFYING CHILD SUPPORT DISTRIBU-  
 3 TION RULES.—

4 (1) DISTRIBUTION RULES.—

5 (A) IN GENERAL.—Section 457(a) (42  
 6 U.S.C. 657(a)) is amended to read as follows:

7 “(a) IN GENERAL.—Subject to subsections (d) and  
 8 (e), the amounts collected on behalf of a family as support  
 9 by a State pursuant to a plan approved under this part  
 10 shall be distributed as follows:

11 “(1) FAMILIES RECEIVING ASSISTANCE.—In the  
 12 case of a family receiving assistance from the State,  
 13 the State shall—

14 “(A) pay to the Federal Government the  
 15 Federal share of the amount collected, subject  
 16 to paragraph (3)(A);

17 “(B) retain, or pay to the family, the State  
 18 share of the amount collected, subject to para-  
 19 graph (3)(B); and

20 “(C) pay to the family any remaining  
 21 amount.

22 “(2) FAMILIES THAT FORMERLY RECEIVED AS-  
 23 SISTANCE.—In the case of a family that formerly re-  
 24 ceived assistance from the State:

1           “(A) CURRENT SUPPORT.—To the extent  
2           that the amount collected does not exceed the  
3           current support amount, the State shall pay the  
4           amount to the family.

5           “(B) ARREARAGES.—Except as otherwise  
6           provided in the State plan approved under sec-  
7           tion 454, to the extent that the amount col-  
8           lected exceeds the current support amount, the  
9           State—

10           “(i) shall first pay to the family the  
11           excess amount, to the extent necessary to  
12           satisfy support arrearages not assigned  
13           pursuant to section 408(a)(3);

14           “(ii) if the amount collected exceeds  
15           the amount required to be paid to the fam-  
16           ily under clause (i), shall—

17           “(I) pay to the Federal Govern-  
18           ment, the Federal share of the excess  
19           amount described in this clause, sub-  
20           ject to paragraph (3)(A); and

21           “(II) retain, or pay to the family,  
22           the State share of the excess amount  
23           described in this clause, subject to  
24           paragraph (3)(B); and

1                   “(iii) shall pay to the family any re-  
2                   maining amount.

3                   “(3) LIMITATIONS.—

4                   “(A) FEDERAL REIMBURSEMENTS.—The  
5                   total of the amounts paid by the State to the  
6                   Federal Government under paragraphs (1) and  
7                   (2) with respect to a family shall not exceed the  
8                   Federal share of the amount assigned with re-  
9                   spect to the family pursuant to section  
10                  408(a)(3).

11                  “(B) STATE REIMBURSEMENTS.—The  
12                  total of the amounts retained by the State  
13                  under paragraphs (1) and (2) with respect to a  
14                  family shall not exceed the State share of the  
15                  amount assigned with respect to the family pur-  
16                  suant to section 408(a)(3).

17                  “(4) FAMILIES THAT NEVER RECEIVED ASSIST-  
18                  ANCE.—In the case of any other family, the State  
19                  shall pay the amount collected to the family.

20                  “(5) FAMILIES UNDER CERTAIN AGREE-  
21                  MENTS.—Notwithstanding paragraphs (1) through  
22                  (4), in the case of an amount collected for a family  
23                  in accordance with a cooperative agreement under  
24                  section 454(33), the State shall distribute the



1 amount collected pursuant to the terms of the agree-  
2 ment.

3 “(6) STATE FINANCING OPTIONS.—To the ex-  
4 tent that the State share of the amount payable to  
5 a family pursuant to paragraph (2)(B) exceeds the  
6 amount that the State estimates (under procedures  
7 approved by the Secretary) would have been payable  
8 to the family pursuant to former section  
9 457(a)(2)(B) (as in effect for the State on the day  
10 before the date this subsection first applies to the  
11 State) if such former section had remained in effect,  
12 the State may elect to use the grant made to the  
13 State under section 403(a) to pay the amount, or to  
14 have the payment considered a qualified State ex-  
15 penditure for purposes of section 409(a)(7), but not  
16 both.

17 “(7) STATE OPTION TO PASS THROUGH ADDI-  
18 TIONAL SUPPORT WITH FEDERAL FINANCIAL PAR-  
19 TICIPATION.—

20 “(A) IN GENERAL.—Notwithstanding  
21 paragraphs (1) and (2), a State shall not be re-  
22 quired to pay to the Federal Government the  
23 Federal share of an amount collected on behalf  
24 of a family that is not a recipient of assistance  
25 under the State program funded under part A,

1 to the extent that the State pays the amount to  
 2 the family.

3 “(B) RECIPIENTS OF TANF FOR LESS  
 4 THAN 5 YEARS.—

5 “(i) IN GENERAL.—Notwithstanding  
 6 paragraphs (1) and (2), a State shall not  
 7 be required to pay to the Federal Govern-  
 8 ment the Federal share of an amount col-  
 9 lected on behalf of a family that is a recipi-  
 10 ent of assistance under the State program  
 11 funded under part A and, if the family in-  
 12 cludes an adult, that has received the as-  
 13 sistance for not more than 5 years after  
 14 the date of enactment of this paragraph, to  
 15 the extent that—

16 “(I) the State pays the amount  
 17 to the family; and

18 “(II) subject to clause (ii), the  
 19 amount is disregarded in determining  
 20 the amount and type of the assistance  
 21 provided to the family.

22 “(ii) LIMITATION.—Of the amount  
 23 disregarded as described in clause (i)(II),  
 24 the maximum amount that may be taken  
 25 into account for purposes of clause (i) shall

not exceed \$400 per month, except that, in the case of a family that includes 2 or more children, the State may elect to increase the maximum amount to not more than \$600 per month.

“(8) STATES WITH DEMONSTRATION WAIVERS.—Notwithstanding the preceding paragraphs, a State with a waiver under section 1115 that became effective on or before October 1, 1997, the terms of which allow pass through of child support payments, may pass through such payments in accordance with such terms with respect to families subject to the waiver.”.

(B) STATE PLAN TO INCLUDE ELECTION AS TO WHICH RULES TO APPLY IN DISTRIBUTING CHILD SUPPORT ARREARAGES COLLECTED ON BEHALF OF FAMILIES FORMERLY RECEIVING ASSISTANCE.—Section 454 (42 U.S.C. 654) is amended—

(i) by striking “and” at the end of paragraph (32);

(ii) by striking the period at the end of paragraph (33) and inserting “; and”; and

1 (iii) by inserting after paragraph (33)  
 2 the following:

3 “(34) include an election by the State to apply  
 4 section 457(a)(2)(B) or former section 457(a)(2)(B)  
 5 (as in effect for the State on the day before the date  
 6 this paragraph first applies to the State) to the dis-  
 7 tribution of the amounts which are the subject of  
 8 such sections, and for so long as the State elects to  
 9 so apply such former section, the amendments made  
 10 by section 211(b) of the Work and Family Act of  
 11 2002 shall not apply with respect to the State, not-  
 12 withstanding subsection (f)(1) of such section 211.”.

13 (C) APPROVAL OF ESTIMATION PROCE-  
 14 DURES.—Not later than October 1, 2002, the  
 15 Secretary of Health and Human Services, in  
 16 consultation with the States (as defined for  
 17 purposes of part D of title IV of the Social Se-  
 18 curity Act), shall establish the procedures to be  
 19 used to make the estimate described in section  
 20 457(a)(6) of such Act.

21 (2) CURRENT SUPPORT AMOUNT DEFINED.—  
 22 Section 457(c) (42 U.S.C. 657(c)) is amended by  
 23 adding at the end the following:

24 “(5) CURRENT SUPPORT AMOUNT.—The term  
 25 ‘current support amount’ means, with respect to

amounts collected as support on behalf of a family,  
the amount designated as the monthly support obligation of the noncustodial parent in the order requiring the support.”.

(c) BAN ON RECOVERY OF MEDICAID COSTS FOR CERTAIN BIRTHS.—Section 454 (42 U.S.C. 654), as amended by subsection (b)(1)(B), is amended—

(1) by striking “and” at the end of paragraph (33);

(2) by striking the period at the end of paragraph (34) and inserting “; and”; and

(3) by inserting after paragraph (34) the following:

“(35) provide that the State shall not use the State program operated under this part to collect any amount owed to the State by reason of costs incurred under the State plan approved under title XIX for the birth of a child for whom support rights have been assigned pursuant to section 408(a)(3), 471(a)(17), or 1912.”.

(d) STATE OPTION TO DISCONTINUE CERTAIN SUPPORT ASSIGNMENTS.—Section 457(b) (42 U.S.C. 657(b)) is amended by striking “shall” and inserting “may, at State option,”.

(e) CONFORMING AMENDMENTS.—

1           (1) Section 404(a) (42 U.S.C. 604(a)) is  
2 amended—

3           (A) by striking “or” at the end of para-  
4 graph (1);

5           (B) by striking the period at the end of  
6 paragraph (2) and inserting “; or”; and

7           (C) by adding at the end the following:

8           “(3) to fund payment of an amount pursuant to  
9 section 457(a)(2)(B), but only to the extent that the  
10 State properly elects under section 457(a)(6) to use  
11 the grant to fund the payment.”.

12          (2) Section 409(a)(7)(B)(i) (42 U.S.C.  
13 609(a)(7)(B)(i)) is amended—

14          (A) in subclause (I)(aa), by striking  
15 “457(a)(1)(B)” and inserting “457(a)(1)”; and

16          (B) by adding at the end the following:

17                       “(V) PORTIONS OF CERTAIN  
18 CHILD SUPPORT PAYMENTS COL-  
19 LECTED ON BEHALF OF AND DISTRIB-  
20 UTED TO FAMILIES NO LONGER RE-  
21 CEIVING ASSISTANCE.—Such term  
22 does not include any amount paid by  
23 a State pursuant to section  
24 457(a)(2)(B), but only to the extent  
25 that the State properly elects under



1 section 457(a)(6) to not have the pay-  
2 ment considered a qualified State ex-  
3 penditure.”.

4 (f) EFFECTIVE DATE.—

5 (1) IN GENERAL.—The amendments made by  
6 this section shall take effect on October 1, 2005,  
7 and shall apply to payments under parts A and D  
8 of title IV of the Social Security Act for calendar  
9 quarters beginning on or after such date, and with-  
10 out regard to whether regulations to implement the  
11 amendment (in the case of State programs operated  
12 under such part D) are promulgated by such date.

13 (2) STATE OPTION TO ACCELERATE EFFECTIVE  
14 DATE.—A State may elect to have the amendment  
15 made by subsection (a), the amendments made by  
16 subsections (b) and (e), or the amendment made by  
17 subsection (d) apply to the State and to amounts  
18 collected by the State, on and after such date as the  
19 State may select that is after the date of enactment  
20 of this Act, by including an election to that effect in  
21 the State plan under part D of title IV of the Social  
22 Security Act.

1 **CHAPTER 2—DEMONSTRATIONS OF EX-**  
2 **PANDED INFORMATION AND EN-**  
3 **FORCEMENT**

4 **SEC. 241. GUIDELINES FOR INVOLVEMENT OF PUBLIC NON-**  
5 **IV-D CHILD SUPPORT ENFORCEMENT AGEN-**  
6 **CIES IN CHILD SUPPORT ENFORCEMENT.**

7 (a) IN GENERAL.—Not later than October 1, 2002,  
8 the Secretary, in consultation with States, local govern-  
9 ments, and individuals or companies knowledgeable about  
10 involving public non-IV-D child support enforcement  
11 agencies in child support enforcement, shall develop rec-  
12 ommendations which address the participation of public  
13 non-IV-D child support enforcement agencies in the es-  
14 tablishment and enforcement of child support obligations.  
15 The matters addressed by the recommendations shall in-  
16 clude substantive and procedural rules which should be  
17 followed with respect to privacy safeguards, data security,  
18 due process rights, administrative compatibility with Fed-  
19 eral and State automated systems, eligibility requirements  
20 (such as registration, licensing, and posting of bonds) for  
21 access to information and use of enforcement mechanisms,  
22 recovery of costs by charging fees, penalties for violations  
23 of the rules, treatment of collections for purposes of sec-  
24 tion 458 of such Act (42 U.S.C. 658), and avoidance of  
25 duplication of effort.

1 (b) DEFINITIONS.—In this title:

2 (1) CHILD SUPPORT.—The term “child sup-  
3 port” has the meaning given in section 459(i)(2) of  
4 the Social Security Act (42 U.S.C. 659(i)(2)).

5 (2) PUBLIC NON-IV-D CHILD SUPPORT EN-  
6 FORCEMENT AGENCY.—The term “public non-IV-D  
7 child support enforcement agency” means an agency,  
8 of a political subdivision of a State, which is prin-  
9 cipally responsible for the operation of a child sup-  
10 port registry or for the establishment or enforcement  
11 of an obligation to pay child support other than pur-  
12 suant to the State plan approved under part D of  
13 title IV of such Act (42 U.S.C. 651 et seq.), or a  
14 clerk of court office of a political subdivision of a  
15 State.

16 (3) SECRETARY.—The term “Secretary” means  
17 the Secretary of Health and Human Services.

18 (4) STATE.—The term “State” shall have the  
19 meaning given in section 1101(a)(1) of the Social  
20 Security Act (42 U.S.C. 1301(a)(1)) for purposes of  
21 part D of title IV of such Act (42 U.S.C. 651 et  
22 seq.).

1 **SEC. 242. DEMONSTRATIONS INVOLVING ESTABLISHMENT**  
2 **AND ENFORCEMENT OF CHILD SUPPORT OB-**  
3 **LIGATIONS BY PUBLIC NON-IV-D CHILD SUP-**  
4 **PORT ENFORCEMENT AGENCIES.**

5 (a) **PURPOSE.**—The purpose of this section is to de-  
6 termine the extent to which public non-IV–D child support  
7 enforcement agencies may contribute effectively to the es-  
8 tablishment and enforcement of child support obligations  
9 by coordinating with law enforcement agencies, employ-  
10 ment agencies and organizations, hospitals and other  
11 health care providers, and other stakeholders to establish  
12 methods to reach out to noncustodial parents with child  
13 support obligations and prevent nonpayment of such obli-  
14 gations.

15 (b) **APPLICATIONS.**—

16 (1) **CONSIDERATION.**—The Secretary shall con-  
17 sider all applications received from States desiring to  
18 conduct demonstration projects under this section.

19 (2) **PREFERENCES.**—In considering which ap-  
20 plications to approve under this section, the Sec-  
21 retary shall give preference to applications submitted  
22 by States that had a public non-IV–D child support  
23 enforcement agency as of January 1, 2002.

24 (3) **APPROVAL.**—

25 (A) **TIMING; LIMITATION ON NUMBER OF**  
26 **PROJECTS.**—Not later than July 1, 2003, the

1 Secretary may approve not more than 10 appli-  
2 cations for projects providing for the participa-  
3 tion of a public non-IV-D child support en-  
4 forcement agency in the establishment and en-  
5 forcement of child support obligations, and, if  
6 the Secretary receives at least 5 such applica-  
7 tions that meet such requirements as the Sec-  
8 retary may establish, shall approve not less  
9 than 5 such applications.

10 (B) REQUIREMENTS.—The Secretary may  
11 not approve an application for a project  
12 unless—

13 (i) the applicant and the Secretary  
14 have entered into a written agreement  
15 which addresses at a minimum, privacy  
16 safeguards, data security, due process  
17 rights, automated systems, liability, over-  
18 sight, and fees, and the applicant has  
19 made a commitment to conduct the project  
20 in accordance with the written agreement  
21 and such other requirements as the Sec-  
22 retary may establish;

23 (ii) the project includes a research  
24 plan (but such plan shall not be required  
25 to use random assignment) that is focused

1 on assessing the costs and benefits of the  
2 project; and

3 (iii) the project appears likely to con-  
4 tribute significantly to the achievement of  
5 the purpose of this title.

6 (c) DEMONSTRATION AUTHORITY.—On approval of  
7 an application submitted by a State under this section—

8 (1) the State agency responsible for admin-  
9 istering the State plan under part D of title IV of  
10 the Social Security Act (42 U.S.C. 651 et seq.) may,  
11 subject to the privacy safeguards of section 454(26)  
12 of such Act (42 U.S.C. 654(26)), provide to any  
13 public non-IV-D child support enforcement agency  
14 participating in the demonstration project all infor-  
15 mation in the State Directory of New Hires and any  
16 information obtained through information compari-  
17 sons under section 453(j)(3) of such Act (42 U.S.C.  
18 653(j)(3)) about an individual with respect to whom  
19 the public non-IV-D agency is seeking to establish  
20 or enforce a child support obligation, if the public  
21 non-IV-D agency meets such requirements as the  
22 State may establish and has entered into an agree-  
23 ment with the State under which the public non-IV-  
24 D agency has made a binding commitment to carry  
25 out establishment and enforcement activities with re-



1       spect to the child support obligation subject to the  
2       same data security, privacy protection, and due  
3       process requirements applicable to the State agency  
4       and in accordance with procedures approved by the  
5       head of the State agency;

6           (2) the State agency may charge and collect  
7       fees from any such public non-IV-D agency to re-  
8       cover costs incurred by the State agency in providing  
9       information and services to the public non-IV-D  
10      agency under the demonstration project;

11          (3) if a public non-IV-D child support enforce-  
12      ment agency has agreed to collect past-due support  
13      (as defined in section 464(c) of such Act (42 U.S.C.  
14      664(c))) owed by a named individual, and the State  
15      agency has submitted a notice to the Secretary of  
16      the Treasury pursuant to section 464 of such Act on  
17      behalf of the public non-IV-D agency, then the Sec-  
18      retary of the Treasury shall consider the State agen-  
19      cy to have agreed to collect such support for pur-  
20      poses of such section 464, and the State agency may  
21      collect from the public non-IV-D agency any fee  
22      which the State is required to pay for the cost of ap-  
23      plying the offset procedure in the case;

24          (4) for so long as a public non-IV-D child sup-  
25      port enforcement agency is participating in the dem-

1        onstration project, the public non-IV-D agency shall  
 2        be considered part of the State agency for purposes  
 3        of section 469A of such Act (42 U.S.C. 669a); and  
 4            (5) for so long as a public non-IV-D child sup-  
 5        port enforcement agency is participating in the dem-  
 6        onstration project, the public non-IV-D agency shall  
 7        be considered part of the State agency for purposes  
 8        of section 303(e) of such Act (42 U.S.C. 503(e)) but  
 9        only with respect to any child support obligation  
 10       that the public non-IV-D agency has agreed to col-  
 11       lect.

12       (d) WAIVER AUTHORITY.—The Secretary may waive  
 13       or vary the applicability of any provision of section 303(e),  
 14       454(31), 464, 466(a)(7), 466(a)(17), or 469A of the So-  
 15       cial Security Act (42 U.S.C. 503(e), 654(31), 664,  
 16       666(a)(7), 666(a)(17), 669a) to the extent necessary to  
 17       enable the conduct of demonstration projects under this  
 18       section, subject to the preservation of the data security,  
 19       privacy protection, and due process requirements of part  
 20       D of title IV of such Act (42 U.S.C. 651 et seq.).

21       (e) FEDERAL AUDIT.—

22            (1) IN GENERAL.—The Comptroller General of  
 23       the United States shall conduct an audit of the dem-  
 24       onstration projects conducted under this section for  
 25       the purpose of examining and evaluating the manner

1 in which information and enforcement tools are used  
2 by the public non-IV-D child support enforcement  
3 agencies participating in the projects.

4 (2) REPORT TO CONGRESS.—

5 (A) IN GENERAL.—The Comptroller Gen-  
6 eral of the United States shall submit to Con-  
7 gress a report on the audit required by para-  
8 graph (1).

9 (B) TIMING.—The report required by sub-  
10 paragraph (A) shall be so submitted not later  
11 than October 1, 2005.

12 (f) SECRETARIAL REPORT TO CONGRESS.—

13 (1) IN GENERAL.—The Secretary shall submit  
14 to Congress a report on the demonstration projects  
15 conducted under this section, which shall include the  
16 results of any research or evaluation conducted pur-  
17 suant to this title, and shall include policy rec-  
18 ommendations regarding the establishment and en-  
19 forcement of child support obligations by the agen-  
20 cies involved.

21 (2) TIMING.—The report required by paragraph  
22 (1) shall be so submitted not later than October 1,  
23 2006.

1   **SEC. 243. GAO REPORT TO CONGRESS ON PRIVATE CHILD**  
2                   **SUPPORT ENFORCEMENT AGENCIES.**

3           (a) **IN GENERAL.**—Not later than October 1, 2002,  
4   the Comptroller General of the United States shall submit  
5   to Congress a report on the activities of private child sup-  
6   port enforcement agencies that shall be designed to help  
7   Congress determine whether the agencies are providing a  
8   needed service in a fair manner using accepted debt collec-  
9   tion practices and at a reasonable fee.

10          (b) **MATTERS TO BE ADDRESSED.**—Among the mat-  
11   ters addressed by the report required by subsection (a)  
12   shall be the following:

13               (1) The number of private child support en-  
14               forcement agencies.

15               (2) The types of debt collection activities con-  
16               ducted by the private agencies.

17               (3) The fees charged by the private agencies.

18               (4) The methods used by the private agencies  
19               to collect fees from custodial parents.

20               (5) The nature and degree of cooperation the  
21               private agencies receive from State agencies respon-  
22               sible for administering State plans under part D of  
23               title IV of the Social Security Act (42 U.S.C. 651  
24               et seq.).

25               (6) The extent to which the conduct of the pri-  
26               vate agencies is subject to Federal or State regula-

tion, and if so, the extent to which the regulations are effectively enforced.

(7) The amount of child support owed but uncollected and changes in this amount in recent years.

(8) The average period of time required for the completion of successful enforcement actions yielding collections of past-due child support by both the child support enforcement programs operated pursuant to State plans approved under part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.) and, to the extent known, by private child support enforcement agencies.

(9) The types of Federal and State child support enforcement remedies and resources currently available to private child support enforcement agencies, and the types of such remedies and resources now restricted to use by State agencies administering State plans referred to in paragraph (8).

(c) PRIVATE CHILD SUPPORT ENFORCEMENT AGENCY DEFINED.—In this section, the term “private child support enforcement agency” means a person or any other nonpublic entity which seeks to establish or enforce an obligation to pay child support (as defined in section 459(i)(2) of the Social Security Act (42 U.S.C. 659(i)(2))).



1 **SEC. 244. EFFECTIVE DATE.**

2 This chapter shall take effect on the date of enact-  
3 ment of this Act.

4 **CHAPTER 3—EXPANDED ENFORCEMENT**

5 **SEC. 251. DECREASE IN AMOUNT OF CHILD SUPPORT AR-**  
6 **REARAGE TRIGGERING PASSPORT DENIAL.**

7 Section 452(k) (42 U.S.C. 652(k)) is amended by  
8 striking “\$5,000” and inserting “\$2,500”.

9 **SEC. 252. USE OF TAX REFUND INTERCEPT PROGRAM TO**  
10 **COLLECT PAST-DUE CHILD SUPPORT ON BE-**  
11 **HALF OF CHILDREN WHO ARE NOT MINORS.**

12 Section 464 (42 U.S.C. 664) is amended—

13 (1) in subsection (a)(2)(A), by striking “(as  
14 that term is defined for purposes of this paragraph  
15 under subsection (c))”; and

16 (2) in subsection (c)—

17 (A) in paragraph (1)—

18 (i) by striking “(1) Except as pro-  
19 vided in paragraph (2), as used in” and in-  
20 serting “In”; and

21 (ii) by inserting “(whether or not a  
22 minor)” after “a child” each place it ap-  
23 pears; and

24 (B) by striking paragraphs (2) and (3).



1   **SEC. 253. GARNISHMENT OF COMPENSATION PAID TO VET-**  
2                   **ERANS FOR SERVICE-CONNECTED DISABIL-**  
3                   **ITIES IN ORDER TO ENFORCE CHILD SUP-**  
4                   **PORT OBLIGATIONS.**

5       Section 459(h) (42 U.S.C. 659(h)) is amended—

6           (1) in paragraph (1)(A)(ii)—

7               (A) in subclause (IV), by striking “or”  
8       after the semicolon;

9               (B) in subclause (V), by inserting “or”  
10      after the semicolon; and

11           (C) by adding at the end the following:

12                   “(VI) subject to paragraph (3),  
13                   other than periodic benefits or pay-  
14                   ments described in subclause (V), by  
15                   the Secretary of Veterans Affairs as  
16                   compensation for a service-connected  
17                   disability paid by the Secretary to a  
18                   former member of the Armed  
19                   Forces;”;

20           (2) in paragraph (1)(B)(iii), by striking “sub-  
21      paragraph (A)(ii)(V)” and inserting “subclauses (V)  
22      and (VI) of subparagraph (A)(ii)”;

23           (3) by adding at the end the following:

24                   “(3) LIMITATIONS WITH RESPECT TO COM-  
25      PENSATION PAID TO VETERANS FOR SERVICE-CON-  
26      NECTED DISABILITIES.—

1                   “(A) ALIMONY AND CHILD SUPPORT.—

2                   Compensation described in paragraph  
3                   (1)(A)(ii)(VI) shall not be subject to with-  
4                   holding pursuant to this section—

5                   “(i) for payment of alimony; or

6                   “(ii) for payment of child support if  
7                   the individual is fewer than 60 days in ar-  
8                   rears in payment of the support.

9                   “(B) LIMITATION.—Not more than 50 per-  
10                  cent of any payment of compensation described  
11                  in subparagraph (A) may be withheld pursuant  
12                  to this section.”.

## 13                   **CHAPTER 4—MISCELLANEOUS**

### 14   **SEC. 261. REPORT ON UNDISTRIBUTED CHILD SUPPORT** 15                   **PAYMENTS.**

16                  Not later than 6 months after the date of enactment  
17                  of this Act, the Secretary of Health and Human Services  
18                  shall submit to the Committee on Ways and Means of the  
19                  House of Representatives and the Committee on Finance  
20                  of the Senate a report on the procedures that the States  
21                  use generally to locate custodial parents for whom child  
22                  support has been collected but not yet distributed due to  
23                  a change in address. The report shall include an estimate  
24                  of the total amount of such undistributed child support  
25                  and the average length of time it takes for such child sup-

1 port to be distributed. The Secretary shall include in the  
2 report recommendations as to whether additional proce-  
3 dures should be established at the Federal or State level  
4 to expedite the payment of undistributed child support.

5 **SEC. 262. USE OF NEW HIRE INFORMATION TO ASSIST IN**  
6 **ADMINISTRATION OF UNEMPLOYMENT COM-**  
7 **PENSATION PROGRAMS.**

8 Section 453(j) (42 U.S.C. 653(j)) is amended by add-  
9 ing at the end the following:

10 “(7) INFORMATION COMPARISONS AND DISCLO-  
11 SURE TO ASSIST IN ADMINISTRATION OF UNEMPLOY-  
12 MENT COMPENSATION PROGRAMS.—

13 “(A) IN GENERAL.—If a State agency re-  
14 sponsible for the administration of an unem-  
15 ployment compensation program under Federal  
16 or State law transmits to the Secretary the  
17 name and social security account number of an  
18 individual, the Secretary shall, if the informa-  
19 tion in the National Directory of New Hires in-  
20 dicates that the individual may be employed,  
21 disclose to the State agency the name, address,  
22 and employer identification number of any pu-  
23 tative employer of the individual, subject to this  
24 paragraph.

“(B) CONDITION ON DISCLOSURE.—The Secretary shall make a disclosure under subparagraph (A) only to the extent that the Secretary determines that the disclosure would not interfere with the effective operation of the program under this part.

“(C) USE OF INFORMATION.—A State agency may use information provided under this paragraph only for purposes of administering a program referred to in subparagraph (A).”.

**SEC. 263. IMMIGRATION PROVISIONS.**

(a) NONIMMIGRANT ALIENS INELIGIBLE TO RECEIVE VISAS AND EXCLUDED FROM ADMISSION FOR NONPAYMENT OF CHILD SUPPORT.—

(1) IN GENERAL.—Section 212(a)(10) of the Immigration and Nationality Act (8 U.S.C. 1182(a)(10)) is amended by adding at the end the following:

“(F) NONPAYMENT OF CHILD SUPPORT.—

“(i) IN GENERAL.—Any non-immigrant alien is inadmissible who is legally obligated under a judgment, decree, or order to pay child support (as defined in section 459(i)(2) of the Social Security Act), and whose failure to pay such child

1 support has resulted in an arrearage ex-  
2 ceeding \$2,500, until child support pay-  
3 ments under the judgment, decree, or  
4 order are satisfied or the nonimmigrant  
5 alien is in compliance with an approved  
6 payment agreement.

7 “(ii) WAIVER AUTHORIZED.—The At-  
8 torney General may waive the application  
9 of clause (i) in the case of an alien, if the  
10 Attorney General—

11 “(I) has received a request for  
12 the waiver from the court or adminis-  
13 trative agency having jurisdiction over  
14 the judgment, decree, or order obli-  
15 gating the alien to pay child support  
16 that is referred to in such clause; or

17 “(II) determines that there are  
18 prevailing humanitarian or public in-  
19 terest concerns.”.

20 (2) EFFECTIVE DATE.—The amendment made  
21 by this subsection shall take effect 180 days after  
22 the date of enactment of this Act.

23 (b) AUTHORIZATION TO SERVE LEGAL PROCESS IN  
24 CHILD SUPPORT CASES ON CERTAIN ARRIVING  
25 ALIENS.—

1           (1) IN GENERAL.—Section 235(d) of the Immi-  
2           gration and Nationality Act (8 U.S.C. 1225(d)) is  
3           amended by adding at the end the following:

4           “(5) AUTHORITY TO SERVE PROCESS IN CHILD  
5           SUPPORT CASES.—

6           “(A) IN GENERAL.—To the extent con-  
7           sistent with State law, immigration officers are  
8           authorized to serve on any alien who is an ap-  
9           plicant for admission to the United States legal  
10          process with respect to any action to enforce or  
11          establish a legal obligation of an individual to  
12          pay child support (as defined in section  
13          459(i)(2) of the Social Security Act).

14          “(B) DEFINITION.—For purposes of sub-  
15          paragraph (A), the term ‘legal process’ means  
16          any writ, order, summons, or other similar  
17          process, which is issued by—

18                 “(i) a court or an administrative  
19                 agency of competent jurisdiction in any  
20                 State, territory, or possession of the  
21                 United States; or

22                 “(ii) an authorized official pursuant to  
23                 an order of such a court or agency or pur-  
24                 suant to State or local law.”.



(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to aliens applying for admission to the United States on or after 180 days after the date of enactment of this Act.

(c) AUTHORIZATION TO SHARE CHILD SUPPORT ENFORCEMENT INFORMATION TO ENFORCE IMMIGRATION AND NATURALIZATION LAW.—

(1) SECRETARIAL RESPONSIBILITY.—Section 452 (42 U.S.C. 652) is amended by adding at the end the following:

“(m) If the Secretary receives a certification by a State agency, in accordance with section 454(36), that an individual who is a nonimmigrant alien (as defined in section 101(a)(15) of the Immigration and Nationality Act) owes arrearages of child support in an amount exceeding \$2,500, the Secretary may, at the request of the State agency, the Secretary of State, or the Attorney General, or on the Secretary’s own initiative, provide the certification to the Secretary of State and the Attorney General in order to enable them to carry out their responsibilities under sections 212(a)(10) and 235(d) of such Act.”.

(2) STATE AGENCY RESPONSIBILITY.—Section 454 (42 U.S.C. 654), as amended by section 231(c), is amended—

1 (A) by striking “and” at the end of para-  
 2 graph (34);

3 (B) by striking the period at the end of  
 4 paragraph (35) and inserting “; and”; and

5 (C) by inserting after paragraph (35) the  
 6 following:

7 “(36) provide that the State agency will have in  
 8 effect a procedure for certifying to the Secretary, in  
 9 such format and accompanied by such supporting  
 10 documentation as the Secretary may require, deter-  
 11 minations that nonimmigrant aliens owe arrearages  
 12 of child support in an amount exceeding \$2,500.”.

13 **SEC. 264. INCREASE IN PAYMENT RATE TO STATES FOR EX-**  
 14 **PENDITURES FOR SHORT-TERM TRAINING OF**  
 15 **STAFF OF CERTAIN CHILD WELFARE AGEN-**  
 16 **CIES.**

17 Section 474(a)(3)(B) (42 U.S.C. 674(a)(3)(B)) is  
 18 amended by inserting “or State-licensed or State-approved  
 19 child welfare agencies providing services to such children,”  
 20 after “this part,”.

21 **SEC. 265. CORRECTION OF ERRORS IN CONFORMING**  
 22 **AMENDMENTS IN THE WELFARE-TO-WORK**  
 23 **AND CHILD SUPPORT AMENDMENTS OF 1999.**

24 The amendments made by section 2402 of the Emer-  
 25 gency Supplemental Act, 2000 (Public Law 106–246; 114

1 Stat. 555) shall take effect as if included in the enactment  
 2 of section 806 of the Departments of Labor, Health and  
 3 Human Services, and Education, and Related Agencies  
 4 Appropriations Act, 2000 (as enacted into law by section  
 5 1000(a)(4) of Public Law 106-113; 113 Stat. 1501A-  
 6 286).

7 **SEC. 266. TECHNICAL CORRECTION TO CHANGED DATES**  
 8 **FOR ABSTINENCE EVALUATION.**

9 (a) IN GENERAL.—Section 513 of the Departments  
 10 of Labor, Health and Human Services, and Education,  
 11 and Related Agencies Appropriations Act, 2001, as en-  
 12 acted into law by section 1(a)(1) of the Consolidated Ap-  
 13 propriations Act, 2001 (Public Law 106-554; 114 Stat.  
 14 2763A-71), is amended—

15 (1) in subsection (a), by striking “Section  
 16 403(a)(5)(H)(iii) of the Social Security Act (42  
 17 U.S.C. 603(a)(5)(H)(iii))” and inserting “Section  
 18 403(a)(5)(G)(iii) of the Social Security Act (42  
 19 U.S.C. 603(a)(5)(G)(iii)) (as redesignated by section  
 20 107(a) of this Act)”; and

21 (2) in subsection (b), by striking “Section  
 22 403(a)(5)(H)” and inserting “Section 403(a)(5)(G)  
 23 (as so redesignated)”.

24 (b) EFFECTIVE DATE.—The amendments made by  
 25 subsection (a) shall take effect as if included in the enact-

1 ment of section 513 of the Departments of Labor, Health  
 2 and Human Services, and Education, and Related Agen-  
 3 cies Appropriations Act, 2001, as so enacted into law.

4 **TITLE III—PROVIDING**  
 5 **FLEXIBILITY AND RESOURCES**  
 6 **Subtitle A—Resources Under TANF**

7 **SEC. 301. REAUTHORIZATION OF STATE FAMILY ASSIST-**  
 8 **ANCE GRANTS.**

9 Section 403(a)(1) is amended (42 U.S.C.  
 10 603(a)(1))—

11 (1) in subparagraph (A), by striking “1996”  
 12 and all that follows through “2002” and inserting  
 13 “2003 through 2007”; and

14 (2) in subparagraph (E), by striking “fiscal  
 15 years 1996” and all that follows through “2002”  
 16 and inserting “each of fiscal years 2003 through  
 17 2007”.

18 **SEC. 302. CONTINGENCY FUND.**

19 (a) CONTINGENCY FUNDING AVAILABLE TO NEEDY  
 20 STATES.—Section 403(b) (42 U.S.C. 603(b)) is  
 21 amended—

22 (1) by striking paragraphs (1) through (3) and  
 23 inserting the following:

24 “(1) CONTINGENCY FUND GRANTS.—

1           “(A) PAYMENTS.—Subject to subpara-  
2 graph (C), each State shall receive a contin-  
3 gency fund grant for each eligible month in  
4 which the State is a needy State under para-  
5 graph (3).

6           “(B) MONTHLY CONTINGENCY FUND  
7 GRANT AMOUNT.—For each eligible month in  
8 which a State is a needy State, the State shall  
9 receive a contingency fund grant equal to the  
10 higher of \$0 and the applicable percentage (as  
11 defined in subparagraph (D)(i)) of the product  
12 of—

13           “(i) the estimated cost of an addi-  
14 tional recipient family (as defined in sub-  
15 paragraph (D)(ii)); and

16           “(ii) the increase in the number of  
17 families receiving assistance under the  
18 State program funded under this part or a  
19 program funded with qualified State ex-  
20 penditures (as defined in subparagraph  
21 (D)(iv)).

22           “(C) LIMITATION.—The total amount paid  
23 to a single State under subparagraph (A) dur-  
24 ing a fiscal year shall not exceed the amount  
25 equal to 15 percent of the State family assist-

1           ance grant (as defined under subparagraph (B)  
2           of subsection (a)(1) and increased under sub-  
3           paragraph (E) of that subsection).

4           “(D) DEFINITIONS.—In this paragraph:

5                   “(i) APPLICABLE PERCENTAGE.—The  
6                   term ‘applicable percentage’ means the  
7                   higher of—

8                           “(I) 75 percent; and

9                           “(II) the sum of the Federal  
10                   medical assistance percentage for the  
11                   State (as defined in section 1905(b))  
12                   plus 8 percentage points.

13                   “(ii) ESTIMATED COST OF AN ADDI-  
14                   TIONAL RECIPIENT FAMILY.—The term  
15                   ‘estimated cost of an additional recipient  
16                   family’ means the amount equal to 120  
17                   percent of the basic assistance cost (as de-  
18                   fined under clause (iii)) for families receiv-  
19                   ing assistance under the State program  
20                   funded under this part or under a program  
21                   funded with qualified State expenditures  
22                   (as defined in section 409(a)(7)(B)(i)).

23                   “(iii) BASIC ASSISTANCE COST.—

24                           “(I) IN GENERAL.—The term  
25                   ‘basic assistance cost’ means the



1 amount equal to the maximum cash  
2 assistance grant for a family con-  
3 sisting of 3 individuals under the  
4 State program funded under this part.

5 “(II) RULE FOR STATES WITH  
6 MORE THAN 1 MAXIMUM LEVEL.—In  
7 the case of a State that has more  
8 than 1 maximum cash assistance  
9 grant level for families consisting of 3  
10 individuals, the basic assistance cost  
11 shall be the amount equal to the max-  
12 imum cash assistance grant level ap-  
13 plicable to the largest number of fami-  
14 lies consisting of 3 individuals receiv-  
15 ing assistance under the State pro-  
16 gram funded under this part or a  
17 State program funded with qualified  
18 State expenditures (as defined in sec-  
19 tion 409(a)(7)(B)(i)).

20 “(iv) INCREASE IN THE NUMBER OF  
21 FAMILIES RECEIVING ASSISTANCE UNDER  
22 THE STATE PROGRAM FUNDED UNDER  
23 THIS PART OR A PROGRAM FUNDED WITH  
24 QUALIFIED STATE EXPENDITURES.—The  
25 term ‘increase in the number of families

1 receiving assistance under the State pro-  
2 gram funded under this part or a program  
3 funded with qualified State expenditures'  
4 means the increase in—

5 “(I) the number of families re-  
6 ceiving assistance under the State  
7 program funded under this part and  
8 under a program funded with quali-  
9 fied State expenditures (as defined in  
10 section 409(a)(7)(B)(i)) in the most  
11 recent month for which data from the  
12 State are available; as compared to

13 “(II) the lower of the average  
14 monthly number of families receiving  
15 such assistance in either of the 2 com-  
16 pleted fiscal years immediately pre-  
17 ceding the fiscal year in which the  
18 State qualifies as a needy State.

19 “(E) APPROPRIATION.—Out of any money  
20 in the Treasury of the United States not other-  
21 wise appropriated, there are appropriated for  
22 the period of fiscal years 2003 through 2007,  
23 such sums as are necessary for making contin-  
24 gency fund grants under this subsection in a  
25 total amount not to exceed \$2,000,000,000.”;

(2) by redesignating paragraph (4) as paragraph (2); and

(3) in paragraph (2), as so redesignated—

(A) by striking “(3)(A)” and inserting “(1)”; and

(B) by striking “2-month” and inserting “3-month”.

(b) MODIFICATION OF DEFINITION OF NEEDY STATE.—Section 403(b) (42 U.S.C. 603(b)) is further amended—

(1) by striking paragraphs (5) through (7);

(2) by redesignating paragraph (8) as paragraph (5); and

(3) by inserting after paragraph (2) (as redesignated by subsection (a)(2)) the following:

“(3) INITIAL DETERMINATION OF WHETHER A STATE QUALIFIES AS A NEEDY STATE.—

“(A) IN GENERAL.—For purposes of paragraph (1), a State will be initially determined to be a needy State for a month if the State satisfies at least 2 of the following:

“(i) The—

“(I) average rate of total unemployment in the State for the period consisting of the most recent 3

1 months for which data are available  
2 has increased by the lesser of 1.5 per-  
3 centage points or by 50 percent over  
4 the corresponding 3-month period in  
5 either of the 2 most recent preceding  
6 fiscal years; or

7 “(II) average insured unemploy-  
8 ment rate for the most recent 3  
9 months for which data are available  
10 has increased by 1 percentage point  
11 over the corresponding 3-month pe-  
12 riod in either of the 2 most recent  
13 preceding fiscal years.

14 “(ii) As determined by the Secretary  
15 of Agriculture, the monthly average num-  
16 ber of households (as of the last day of  
17 each month) that participated in the food  
18 stamp program in the State in the then  
19 most recently concluded 3-month period  
20 for which data are available exceeds by at  
21 least 10 percent the monthly average num-  
22 ber of households (as of the last day of  
23 each month) in the State that participated  
24 in the food stamp program in the cor-  
25 responding 3-month period in either of the

1           2 most recent preceding fiscal years, pro-  
2           vided that the Secretary makes a deter-  
3           mination that the State's increase in the  
4           number of such households was due, in  
5           large measure, to economic conditions  
6           rather than an expansion of program eligi-  
7           bility requirements.

8                   “(iii) As determined by the Secretary,  
9           the monthly average number of families  
10          that received assistance under the State  
11          program funded under this part or under  
12          a program funded with qualified State ex-  
13          penditures (as defined in section  
14          409(a)(7)(B)(i)) in the most recently con-  
15          cluded 3-month period for which data are  
16          available from the State increased by at  
17          least 10 percent over the number of such  
18          families that received such benefits in the  
19          corresponding 3-month period in either of  
20          the 2 most recent preceding fiscal years,  
21          provided that the Secretary makes a deter-  
22          mination that the State's increased case-  
23          load was due, in large measure, to eco-  
24          nomic conditions rather than an expansion  
25          of program eligibility requirements.

1 “(B) DURATION.—

2 “(i) IN GENERAL.—A State that  
3 qualifies as a needy State—

4 “(I) under subparagraph (A)(i),  
5 shall be considered a needy State until  
6 the factor which was used to meet the  
7 definition of needy State under that  
8 subparagraph for the most recently  
9 concluded 3-month period for which  
10 data are available, falls below the level  
11 attained for such factor in the 3-  
12 month period in which the State first  
13 qualified as a needy State under that  
14 subparagraph;

15 “(II) under subparagraph (A)(ii),  
16 shall be considered a needy State until  
17 the average monthly number of house-  
18 holds participating in the food stamp  
19 program for the most recently con-  
20 cluded 3-month period for which data  
21 are available nationally falls below the  
22 food stamp base period level; and

23 “(III) under subparagraph  
24 (A)(iii), shall be considered a needy  
25 State until the number of families re-



ceiving assistance under the State program funded under this part or under a program funded with qualified State expenditures (as defined in section 409(a)(7)(B)(i)) for the most recently concluded 3-month period for which data are available falls below the TANF base period level.

“(ii) SEASONAL VARIATIONS.—Notwithstanding subclauses (II) and (III) of clause (i), a State shall be considered a needy State—

“(I) under subparagraph (A)(ii), if with respect to the State, the monthly average number of households participating in the food stamp program for the most recent 3-month period for which data are available nationally falls below the food stamp base period level and the Secretary determines that this is due to expected seasonal variations in food stamp receipt in the State; and

“(II) under subparagraph (A)(iii), if, with respect to a State, the

1 monthly average number of families  
2 receiving assistance under the State  
3 program funded under this part or  
4 under a program funded with quali-  
5 fied State expenditures (as defined in  
6 section 409(a)(7)(B)(i)) for the most  
7 recently concluded 3-month period for  
8 which data are available nationally  
9 falls below the TANF base period  
10 level and the Secretary determines  
11 that this is due to expected seasonal  
12 variations in assistance receipt in the  
13 State.

14 “(iii) FOOD STAMP BASE PERIOD  
15 LEVEL.—In this subparagraph, the term  
16 ‘food stamp base period level’ means the  
17 monthly average number of households  
18 participating in the food stamp program  
19 that corresponds to the most recent 3-  
20 month period for which data are available  
21 at the time when the State first was deter-  
22 mined to be a needy State under this para-  
23 graph.

24 “(iv) TANF BASE PERIOD LEVEL.—  
25 In this subparagraph, the term ‘TANF

1 base period level' means the monthly aver-  
2 age number of families receiving assistance  
3 under the State program funded under this  
4 part or under a program funded with  
5 qualified State expenditures (as defined in  
6 section 409(a)(7)(B)(i)) that corresponds  
7 to the most recent 3 months for which  
8 data are available at the time when the  
9 State first was determined to be a needy  
10 State under this paragraph.

11 “(4) EXCEPTION.—

12 “(A) IN GENERAL.—Notwithstanding para-  
13 graph (3), a State that has unobligated TANF  
14 reserves from prior fiscal years that equal more  
15 than 25 percent of the total amount of grants  
16 received by the State under subsection (a)  
17 (other than welfare-to-work grants made under  
18 paragraph (5) of that subsection prior to fiscal  
19 year 1999) but not yet obligated as of the end  
20 of the preceding fiscal year shall not be a needy  
21 State under this subsection.

22 “(B) DEFINITION OF UNOBLIGATED TANF  
23 RESERVES.—In subparagraph (A), the term  
24 ‘unobligated TANF reserves’ means the lessor  
25 of—

1           “(i) the total amount of grants made  
2           to the State (regardless of the fiscal year  
3           in which such funds were awarded) under  
4           subsection (a) (other than welfare-to-work  
5           grants made under paragraph (5) of that  
6           subsection prior to fiscal year 1999) but  
7           not yet obligated as of the end of the pre-  
8           ceding fiscal year; and

9           “(ii) the total amount of grants made  
10          to the State under subsection (a) (other  
11          than welfare-to-work grants made under  
12          paragraph (5) of that subsection prior to  
13          fiscal year 1999) but not yet obligated as  
14          of the end of the preceding fiscal year, plus  
15          the difference between—

16               “(I) the pro rata share of the fis-  
17               cal year grants to be made under sub-  
18               section (a) to the State (other than  
19               such welfare-to-work grants); and

20               “(II) current year obligations of  
21               the total amount of grants made to all  
22               States under subsection (a) (regard-  
23               less of the fiscal year in which such  
24               funds were awarded) (other than such  
25               welfare-to-work grants) through the

end of the most recent calendar quarter.”.

(c) CLARIFICATION OF REPORTING REQUIREMENTS.—Paragraph (5) of section 403(b) (42 U.S.C. 603(b)), as redesignated by subsection (b)(2), is amended by striking “on the status of the Fund” and inserting “on the States that qualified for contingency funds and the amount of funding awarded under this subsection”.

**SEC. 303. REAUTHORIZATION OF SUPPLEMENTAL GRANTS FOR POPULATION INCREASES.**

Section 403(a)(3) (42 U.S.C. 603(a)) is amended—

(1) in subparagraph (A)(ii), in the matter preceding subclause (I), by striking “, 2000, and 2001” and inserting “through 2007”;

(2) in subparagraph (C)(iii), in the matter preceding subclause (I), by striking “fiscal years 1998, 1999, 2000, and 2001” and inserting “each of fiscal years 1998 through 2007”;

(3) in subparagraph (E), by striking “1998, 1999, 2000, and 2001” and inserting “2003 through 2007”; and

(4) in subparagraph (G), by striking “2001” and inserting “2007”.

1   **SEC. 304. GRANTS TO STATES FOR ADMINISTRATIVE COSTS**  
2                           **OF IMPLEMENTING INCREASED WORK RE-**  
3                           **QUIREMENTS AND TO ENHANCE STATE CAPA-**  
4                           **BILITIES AND CASEWORKER TRAINING.**

5       Section 403(a) (42 U.S.C. 603(a)), as amended by  
6 section 111, is amended by adding at the end the fol-  
7 lowing:

8                   “(7) GRANTS TO STATES FOR ADMINISTRATIVE  
9       COSTS OF IMPLEMENTING INCREASED WORK RE-  
10      QUIREMENTS AND TO ENHANCE STATE CAPABILI-  
11      TIES AND CASEWORKER TRAINING.—

12                   “(A) IN GENERAL.—The Secretary shall  
13      pay each eligible State (as defined in section  
14      402(a)) the amount determined under subpara-  
15      graph (C) for a fiscal year.

16                   “(B) USE OF FUNDS.—Funds made avail-  
17      able through a grant made under this para-  
18      graph shall be used for administrative costs in-  
19      curred by a State in order to comply with the  
20      work requirements applicable to recipients  
21      under the State program funded under this  
22      part as a result of the amendments made by  
23      the Work and Family Act of 2002, for technical  
24      enhancement of State capabilities with respect  
25      to the administration of the State program, and



1 for caseworker training, including any of the  
2 following:

3 “(1) Upgrading computer systems and data  
4 processing equipment.

5 “(2) Hiring additional staff to comply with re-  
6 porting requirements and work requirements im-  
7 posed under this part.

8 “(3) Incurring expenditures for resources and  
9 support necessary to comply with increased adminis-  
10 trative requirements resulting from the amendments  
11 made to this part by the Work and Family Act of  
12 2002.

13 “(4) Developing staff training and career devel-  
14 opment programs in information technology to im-  
15 prove the quality of services and maximize the effec-  
16 tiveness of the existing workforce responsible for ad-  
17 ministering the State program funded under this  
18 part.

19 “(5) Developing proposals to redesign the deliv-  
20 ery of services under the State program funded  
21 under this part and to maximize efficiency and en-  
22 hance public satisfaction through the establishment  
23 of joint labor committees with respect to the admin-  
24 istration of employment and training programs.

1           “(6) Developing and implementing model case  
2           management practices and policies that are designed  
3           to maintain a stable, skilled, and professional work-  
4           force.

5           “(7) Developing innovative training programs  
6           to improve the quality of services provided under the  
7           State program funded under this part, including  
8           staff training on program requirements and services,  
9           referral of recipients to all other programs and serv-  
10          ices for which recipients are eligible, screening of re-  
11          cipients for serious barriers to employment and re-  
12          ferral of recipients with such barriers to qualified  
13          specialists, cultural diversity and sensitivity, and the  
14          rights of recipients under all laws applicable to the  
15          activities of the State program.

16               “(C) ALLOCATION OF FUNDS.—

17               “(i) IN GENERAL.—Subject to clauses  
18               (ii) and (iii), out of the funds appropriated  
19               under subparagraph (E) for a fiscal year,  
20               the Secretary shall pay to each eligible  
21               State an amount equal to ratio of the  
22               number of recipients of assistance under  
23               the State program funded under this part  
24               in the State to the number of recipients of

1 assistance under all State programs funded  
2 under this part.

3 “(ii) MINIMUM ALLOCATION.—No eli-  
4 gible State shall receive a payment of a  
5 grant under this paragraph for a fiscal  
6 year that is less than the amount equal to  
7 1 percent of the amount appropriated  
8 under subparagraph (E) for such fiscal  
9 year.

10 “(iii) PRO RATA REDUCTIONS.—If the  
11 amount appropriated pursuant to subpara-  
12 graph (E) for a fiscal year is less than the  
13 total amount of payments otherwise re-  
14 quired to be made under clauses (i) and  
15 (ii) for the fiscal year, then the amount  
16 otherwise payable to any eligible State for  
17 the fiscal year under this subparagraph  
18 shall be reduced by a percentage equal to  
19 the amount so appropriated divided by  
20 such total amount.

21 “(D) REQUIREMENT.—Amounts paid to an  
22 eligible State under this paragraph for a fiscal  
23 year shall be subject to the same requirements  
24 as amounts paid to the State under paragraph  
25 (1).

1                   “(E) APPROPRIATION.—Out of any money  
2                   in the Treasury of the United States not other-  
3                   wise appropriated, there are appropriated for  
4                   each of fiscal years 2003 through 2007,  
5                   \$50,000,000 for making payments to States  
6                   under this paragraph.”.

7 SEC. 305. CREDIT FOR STATE EXPENDITURES TO CARRY  
8 OUT THE PURPOSES OF TANF.

9           Section       409(a)(7)(B)(i)(II)       (42       U.S.C.  
10 609(a)(7)(B)(i)(II)) is amended—

11 (1) in item (aa), by striking “or” at the end;

(2) in item (bb), by striking the period and inserting “; or”; and

14 (3) by adding at the end the following:

“(cc) the expenditures are  
directly related to 1 of the pur-  
poses set forth in section  
401(a).”.

19 SEC. 306. REAUTHORIZATION OF GRANTS FOR INDIAN  
20 TRIBES AND PENALTY FOR FAILURE TO  
21 MAINTAIN HISTORIC STATE EFFORT.

(a) REAUTHORIZATION OF GRANTS FOR INDIAN TRIBES.—Paragraphs (1)(A) and (2)(A) of section 412(a) (42 U.S.C. 612(a)) are each amended by striking “1997”

1 and all that follows through “2002” and inserting “2003  
2 through 2007”.

3 (b) CONTINUATION OF PENALTIES FOR FAILURE OF  
4 A STATE TO MAINTAIN CERTAIN LEVEL OF HISTORIC  
5 EFFORT.—Section 409(a)(7) (42 U.S.C. 608(a)(7)) is  
6 amended—

7 (1) in subparagraph (A), by striking “1998”  
8 and all that follows through “2003” and inserting  
9 “2003, 2004, 2005, 2006, or 2007”; and

10 (2) in subparagraph (B)(ii), by striking “1997  
11 through 2002” and inserting “2003 through 2007”.

12 **SEC. 307. CLARIFICATION OF AUTHORITY OF STATES TO**  
13 **USE TANF FUNDS CARRIED OVER FROM**  
14 **PRIOR YEARS TO PROVIDE TANF BENEFITS**  
15 **AND SERVICES.**

16 Section 404(e) (42 U.S.C. 604(e)) is amended—

17 (1) in the subsection heading, by striking “AS-  
18 SISTANCE” and inserting “BENEFITS OR SERVICES”;  
19 and

20 (2) by striking “assistance” and inserting “any  
21 benefit or service that may be provided”.

22 **SEC. 308. PROMOTING WORK AND RESPONSIBILITY AMONG**  
23 **ALL FAMILIES WITH CHILDREN.**

24 (a) STATE OPTION TO ASSIST LEGAL IMMIGRANTS  
25 UNDER TANF.—

1           (1) IN GENERAL.—Section 403(c)(2) of the  
2       Personal Responsibility and Work Opportunity Rec-  
3       onciliation Act of 1996 (8 U.S.C. 1613(c)(2)) is  
4       amended by adding at the end the following:

5           “(L) At State option, assistance or benefits  
6       under a State program funded under part A of  
7       title IV of the Social Security Act (42 U.S.C.  
8       601 et seq.).”.

9           (2) CONFORMING AMENDMENT.—Section  
10      408(e) of the Social Security Act (42 U.S.C. 608(e))  
11      is amended to read as follows:

12      “(e) ELIGIBILITY OF CERTAIN ALIENS.—Except as  
13      provided in subsection (f) (relating to deeming require-  
14      ments), at State option, a State may provide assistance,  
15      benefits, or services to a qualified alien (as defined in sub-  
16      sections (b) and (c) of section 431 of the Personal Respon-  
17      sibility and Work Opportunity Reconciliation Act of 1996  
18      (8 U.S.C. 1641)) under the State program funded under  
19      this part or with qualified State expenditures (as defined  
20      in section 409(a)(7)(B)(i)) in the same manner and to the  
21      same extent as a citizen of the United States would be  
22      provided such assistance, benefits, or services.”.

23      (b) STATE PLAN REQUIREMENT.—Section  
24      402(a)(1)(B) (42 U.S.C. 602(a)(1)(B)) is amended by  
25      adding at the end the following:



1           “(v) In the case of a State that elects  
2           the option under section 408(e) to provide  
3           benefits or assistance to qualified aliens,  
4           the document shall include—

5                   “(I) an explanation of how the  
6           State shall ensure that, with respect  
7           to such aliens who entered the United  
8           States after 1996, the income of any  
9           sponsor of such an alien is considered  
10          when determining the alien’s eligibility  
11          for any means-tested benefits; and

12                   “(II) a description of the process  
13          the State uses to request reimburse-  
14          ment for any means-tested benefits  
15          provided to such an alien who entered  
16          the United States after 1996, from  
17          any sponsor of the alien in accordance  
18          with the requirements of section 213A  
19          of the Immigration and Nationality  
20          Act (8 U.S.C. 1183a) and the legal  
21          remedies the State may use to enforce  
22          affidavits of support under that sec-  
23          tion.”.

24          (c) STATE AUTHORITY TO PROVIDE STATE AND  
25          LOCAL PUBLIC BENEFITS FOR CERTAIN ALIENS.—Sec-

tion 411(d) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1621(d)) is amended—

(1) in the heading, by inserting “AND OTHER” before “ALIENS”; and

(2) by inserting “or who otherwise is not a qualified alien (as defined in section 431)” after “United States”.

(d) GRANTS TO STATES DISPROPORTIONATELY IMPACTED BY FEDERAL IMMIGRATION POLICY.—Section 403(a) (42 U.S.C. 603(a)), as amended by section 304, is amended by adding at the end the following:

“(8) GRANTS TO STATES DISPROPORTIONATELY IMPACTED BY FEDERAL IMMIGRATION POLICY.—

“(A) IN GENERAL.—The Secretary shall pay each State described in subparagraph (B) the amount determined under subparagraph (C) for a fiscal year.

“(B) STATE DESCRIBED.—For purposes of subparagraph (A), a State is described in this subparagraph if the State notifies the Secretary not later than June 1 of the fiscal year preceding the fiscal year for which the State is to receive a payment under this paragraph that, with respect to the fiscal year for which such a

1 grant is to be made, the State intends to pro-  
2 vide assistance, benefits, or services under the  
3 State program funded under this part or with  
4 qualified State expenditures (as defined in sec-  
5 tion 409(a)(7)(B)(i)) to all qualified aliens in  
6 accordance with section 408(e).

7 “(C) ALLOCATION OF FUNDS.—

8 “(i) IN GENERAL.—Subject to clause  
9 (ii), the Secretary shall allocate the funds  
10 appropriated under subparagraph (E) for a  
11 fiscal year as follows:

12 “(I) An amount equal to 40 per-  
13 cent of such funds shall be distributed  
14 among the States described in sub-  
15 paragraph (B) for such fiscal year  
16 based on the number of low-income  
17 children in noncitizen families in all  
18 such States, as determined by the  
19 Secretary.

20 “(II) An amount equal to 60 per-  
21 cent of such funds shall be distributed  
22 among the States described in sub-  
23 paragraph (B) for such fiscal year  
24 based on the increase during the pe-  
25 riod that begins with 1996 and ends

1 with the most recent year for which  
2 data is available in the number of  
3 noncitizens (all ages, all incomes) in  
4 the State as compared to the increase  
5 in such number of such noncitizens  
6 for all such States for the fiscal year.

7 “(ii) PRO RATA REDUCTIONS.—If the  
8 amount appropriated pursuant to subpara-  
9 graph (E) for a fiscal year is less than the  
10 total amount of payments otherwise re-  
11 quired to be made under clause (i) for the  
12 fiscal year, then the amount otherwise pay-  
13 able to any State described in subpara-  
14 graph (B) for the fiscal year under clause  
15 (i) shall be reduced by a percentage equal  
16 to the amount so appropriated divided by  
17 such total amount.

18 “(iii) NO JUDICIAL REVIEW.—Not-  
19 withstanding any other provision of law,  
20 the allocation of funds under this subpara-  
21 graph for a fiscal year shall not be subject  
22 to judicial review.

23 “(D) REQUIREMENT.—Amounts paid to a  
24 State under this paragraph for a fiscal year

1 shall be subject to the same requirements as  
2 amounts paid to the State under paragraph (1).

3 “(E) APPROPRIATION.—Out of any money  
4 in the Treasury of the United States not other-  
5 wise appropriated, there are appropriated for  
6 each of fiscal years 2003 through 2007,  
7 \$50,000,000 for making payments to States  
8 under this paragraph.”.

9 **SEC. 309. DATA COLLECTION AND REPORTING.**

10 Section 411(a)(1)(A) (42 U.S.C. 611(a)(1)(A)) is  
11 amended in the matter preceding clause (i), by striking  
12 “(except for information relating to activities carried out  
13 under section 403(a)(5))” and inserting “ (and in com-  
14 plying with this requirement, the Secretary shall require  
15 not more than 10 States to ensure that the following case  
16 record information is reported in a manner that permits  
17 analysis of such information by race, ethnicity or national  
18 origin, primary language, gender, and educational level,  
19 including analysis using a combination of these factors,  
20 and shall submit an annual report to Congress containing  
21 such data)”.

22 **SEC. 310. DEFINITION OF ASSISTANCE.**

23 Section 419 (42 U.S.C. 619) is amended by adding  
24 at the end the following:

1           “(6) ASSISTANCE.—The term ‘assistance’  
2       means cash benefits and does not include child care  
3       or other support services.”.

4   **SEC. 311. AUTHORITY TO USE TANF FUNDS FOR HOUSING**  
5                   **BENEFITS.**

6       (a) IN GENERAL.—Section 404 (42 U.S.C. 604) is  
7       amended by inserting at the end the following:

8       “(1) USE OF FUNDS FOR SUPPLEMENTAL HOUSING  
9       BENEFITS.—

10           “(1) IN GENERAL.—The provision by a State of  
11       supplemental housing benefits to or on behalf of an  
12       individual eligible for assistance under the State pro-  
13       gram funded under this part, using funds from a  
14       grant made under section 403(a) of this title, shall  
15       not be considered to be the provision of assistance  
16       to the individual under the State program funded  
17       under this part for any purpose except in deter-  
18       mining the allowability of the expenditure under sec-  
19       tion 401(a)(1).

20           “(2) PERMITTED USE OF FUNDS.—A State may  
21       not use any part of the funds from a grant made  
22       under section 403 to supplant rather than supple-  
23       ment State expenditures on housing-related pro-  
24       grams.



1           “(3) DEFINITION OF SUPPLEMENTAL HOUSING

2       BENEFITS.—In this subsection, the term ‘supple-  
3       mental housing benefits’ means payments made to  
4       or on behalf of an individual to reduce or reimburse  
5       the costs incurred by the individual for housing ac-  
6       commodations, and the receipt of which does not re-  
7       duce the amount of assistance, benefits, or services  
8       an individual would otherwise receive under the  
9       State program funded under this part or under a  
10      program funded with qualified State expenditures  
11      (as defined in section 409(a)(7)(B)(i)).”.

12      (b) STATE PLAN.—Section 402(a)(1)(B) (42 U.S.C.  
13   602(a)(1)(B)), as amended by section 308(b), is amended  
14   by adding at the end the following:

15                   “(vi) The document shall describe—

16                   “(I) the primary problems that  
17                   families receiving assistance and fami-  
18                   lies who have recently stopped receiv-  
19                   ing assistance under the State pro-  
20                   gram funded under this part experi-  
21                   ence in securing and retaining ade-  
22                   quate, affordable housing and the esti-  
23                   mated extent of each such problem,  
24                   including the price of such housing in  
25                   various areas of the State that include

1 a large proportion of recipients of as-  
2 sistance under the State program;

3 “(II) the steps that have been  
4 and will be taken by the State and  
5 other public or private entities that  
6 administer housing programs in the  
7 State to address the problems de-  
8 scribed in subclause (I);

9 “(III) the methods the State has  
10 adopted to identify barriers to work  
11 posed by the living arrangement,  
12 housing cost, and housing location of  
13 families eligible for the State program  
14 funded under this part; and

15 “(IV) the services and benefits  
16 that have been or will be provided by  
17 the State or other public or private  
18 entities to help families overcome the  
19 barriers so identified.”.

## 1    **Subtitle B—Resources Under Other** 2                                    **Programs**

### 3    **SEC. 321. RESTORATION OF FUNDING FOR THE SOCIAL** 4                                    **SERVICES BLOCK GRANT.**

5            (a) RESTORATION OF FUNDS FOR THE SOCIAL SERV-  
6    ICES BLOCK GRANT.—Section 2003(c) (42 U.S.C.  
7    1379b(c)) is amended—

8            (1) in paragraph (10), by striking “and”;

9            (2) in paragraph (11), by striking “and each  
10    fiscal year thereafter.” and inserting “; and”; and

11           (3) by adding at the end the following:

12           “(12) \$1,900,000,000 for fiscal year 2003;

13           “(13) \$1,950,000,000 for fiscal year 2004;

14           “(14) \$2,050,000,000 for fiscal year 2005;

15           “(15) \$2,200,000,000 for fiscal year 2006; and

16           “(16) \$2,800,000,000 for fiscal year 2007 and  
17    each fiscal year thereafter.”.

18           (b) RESTORATION OF AUTHORITY TO TRANSFER UP  
19    TO 10 PERCENT OF TANF FUNDS.—Section 404(d)(2)  
20    (42 U.S.C. 604(d)(2)) is amended to read as follows:

21           “(2) LIMITATION ON AMOUNT TRANSFERABLE  
22    TO TITLE XX PROGRAMS.—A State may use not  
23    more than 10 percent of the amount of any grant  
24    made to the State under section 403(a) for a fiscal

1       year to carry out State programs pursuant to title  
2       XX.”.

3   **SEC. 322. ONE-YEAR EXTENSION AND REVISION AND SIM-**  
4                   **PLIFICATION OF THE TRANSITIONAL MED-**  
5                   **ICAL ASSISTANCE PROGRAM (TMA).**

6       (a) OPTION OF CONTINUOUS ELIGIBILITY FOR 12  
7   MONTHS; OPTION OF CONTINUING COVERAGE FOR UP TO  
8   AN ADDITIONAL YEAR.—

9               (1) OPTION OF CONTINUOUS ELIGIBILITY FOR  
10   12 MONTHS BY MAKING REPORTING REQUIREMENTS  
11   OPTIONAL.—Section 1925(b) (42 U.S.C. 1396r-  
12   6(b)) is amended—

13               (A) in paragraph (1), by inserting “, at the  
14   option of a State,” after “and which”;

15               (B) in paragraph (2)(A), by inserting  
16   “Subject to subparagraph (C)—” after “(A)  
17   NOTICES.—”;

18               (C) in paragraph (2)(B), by inserting  
19   “Subject to subparagraph (C)—” after “(B)  
20   REPORTING REQUIREMENTS.—”;

21               (D) by adding at the end the following new  
22   subparagraph:

23               “(C) STATE OPTION TO WAIVE NOTICE  
24   AND REPORTING REQUIREMENTS.—A State  
25   may waive some or all of the reporting require-

ments under clauses (i) and (ii) of subparagraph (B). Insofar as it waives such a reporting requirement, the State need not provide for a notice under subparagraph (A) relating to such requirement.”; and

(E) in paragraph (3)(A)(iii), by inserting “the State has not waived under paragraph (2)(C) the reporting requirement with respect to such month under paragraph (2)(B) and if” after “6-month period if”.

(2) STATE OPTION TO EXTEND ELIGIBILITY FOR LOW-INCOME INDIVIDUALS FOR UP TO 12 ADDITIONAL MONTHS.—Section 1925 (42 U.S.C. 1396r-6) is further amended—

(A) by redesignating subsections (c) through (f) as subsections (d) through (g), respectively; and

(B) by inserting after subsection (b) the following new subsection:

“(c) STATE OPTION OF UP TO 12 MONTHS OF ADDITIONAL ELIGIBILITY.—

“(1) IN GENERAL.—Notwithstanding any other provision of this title, each State plan approved under this title may provide, at the option of the State, that the State shall offer to each family which

1 received assistance during the entire 6-month period  
2 under subsection (b) and which meets the applicable  
3 requirement of paragraph (2), in the last month of  
4 the period the option of extending coverage under  
5 this subsection for the succeeding period not to ex-  
6 ceed 12 months.

7 “(2) INCOME RESTRICTION.—The option under  
8 paragraph (1) shall not be made available to a fam-  
9 ily for a succeeding period unless the State deter-  
10 mines that the family’s average gross monthly earn-  
11 ings (less such costs for such child care as is nec-  
12 essary for the employment of the caretaker relative)  
13 as of the end of the 6-month period under sub-  
14 section (b) does not exceed 185 percent of the offi-  
15 cial poverty line (as defined by the Office of Man-  
16 agement and Budget, and revised annually in ac-  
17 cordance with section 673(2) of the Omnibus Budget  
18 Reconciliation Act of 1981) applicable to a family of  
19 the size involved.

20 “(3) APPLICATION OF EXTENSION RULES.—  
21 The provisions of paragraphs (2), (3), (4), and (5)  
22 of subsection (b) shall apply to the extension pro-  
23 vided under this subsection in the same manner as  
24 they apply to the extension provided under sub-



1 section (b)(1), except that for purposes of this  
2 subsection—

3 “(A) any reference to a 6-month period  
4 under subsection (b)(1) is deemed a reference  
5 to the extension period provided under para-  
6 graph (1) and any deadlines for any notices or  
7 reporting and the premium payment periods  
8 shall be modified to correspond to the appro-  
9 priate calendar quarters of coverage provided  
10 under this subsection; and

11 “(B) any reference to a provision of sub-  
12 section (a) or (b) is deemed a reference to the  
13 corresponding provision of subsection (b) or of  
14 this subsection, respectively.”.

15 (b) STATE OPTION TO WAIVE RECEIPT OF MED-  
16 ICAID FOR 3 OF PREVIOUS 6 MONTHS TO QUALIFY FOR  
17 TMA.—Section 1925(a)(1) (42 U.S.C. 1396r-6(a)(1)) is  
18 amended by adding at the end the following: “A State  
19 may, at its option, also apply the previous sentence in the  
20 case of a family that was receiving such aid for fewer than  
21 3 months, or that had applied for and was eligible for such  
22 aid for fewer than 3 months, during the 6 immediately  
23 preceding months described in such sentence.”.

24 (c) 1-YEAR EXTENSION OF SUNSET FOR TMA.—

1 (1) IN GENERAL.—Subsection (g) of section  
 2 1925 (42 U.S.C. 1396r–6), as redesignated under  
 3 subsection (a)(2)(A), is further redesignated as sub-  
 4 section (i) and is amended by striking “2002” and  
 5 inserting “2003”.

6 (2) CONFORMING AMENDMENT.—Section  
 7 1902(e)(1)(B) (42 U.S.C. 1396a(e)(1)(B)) is  
 8 amended by striking “2002” and inserting “2003”.

9 (d) CMS REPORT ON ENROLLMENT AND PARTICIPA-  
 10 TION RATES UNDER TMA.—Section 1925 (42 U.S.C.  
 11 1396r–6), as amended by subsections (a)(2)(A) and (c),  
 12 is amended by inserting after subsection (f) the following:

13 “(g) ADDITIONAL PROVISIONS.—

14 “(1) COLLECTION AND REPORTING OF PARTICI-  
 15 PATION INFORMATION.—Each State shall—

16 “(A) collect and submit to the Secretary,  
 17 in a format specified by the Secretary, informa-  
 18 tion on average monthly enrollment and average  
 19 monthly participation rates for adults and chil-  
 20 dren under this section; and

21 “(B) make such information publicly avail-  
 22 able.

23 Such information shall be submitted under subpara-  
 24 graph (A) at the same time and frequency in which  
 25 other enrollment information under this title is sub-

mitted to the Secretary. Using such information, the Secretary shall submit to Congress annual reports concerning such rates.”.

(e) COORDINATION OF WORK.—Section 1925(g) (42 U.S.C. 1396r-6(g)), as added by subsection (d), is amended by adding at the end the following new paragraph:

“(2) COORDINATION WITH ADMINISTRATION FOR CHILDREN AND FAMILIES.—The Administrator of the Centers for Medicare & Medicaid Services, in carrying out this section, shall work with the Assistant Secretary for the Administration for Children and Families to develop guidance or other technical assistance for States regarding best practices in guaranteeing access to transitional medical assistance under this section.”.

(f) ELIMINATION OF TMA REQUIREMENT FOR STATES THAT EXTEND COVERAGE TO CHILDREN AND PARENTS THROUGH 185 PERCENT OF POVERTY.—

(1) IN GENERAL.—Section 1925 (42 U.S.C. 1396r-6) is further amended by inserting after subsection (g), as added by subsection (d), the following:

“(h) PROVISIONS OPTIONAL FOR STATES THAT EXTEND COVERAGE TO CHILDREN AND PARENTS THROUGH 185 PERCENT OF POVERTY.—A State may (but is not re-

1 quired to) meet the requirements of subsections (a) and  
 2 (b) if it provides for medical assistance under this title  
 3 (whether under section 1931, through a waiver under sec-  
 4 tion 1115, or otherwise) to families (including both chil-  
 5 dren and caretaker relatives) the average gross monthly  
 6 earning of which (less such costs for such child care as  
 7 is necessary for the employment of a caretaker relative)  
 8 is at or below a level that is at least 185 percent of the  
 9 official poverty line (as defined by the Office of Manage-  
 10 ment and Budget, and revised annually in accordance with  
 11 section 673(2) of the Omnibus Budget Reconciliation Act  
 12 of 1981) applicable to a family of the size involved.”.

13 (2) CONFORMING AMENDMENTS.—Section 1925  
 14 (42 U.S.C. 1396r-6) is further amended, in sub-  
 15 sections (a)(1) and (b)(1), by inserting “, but sub-  
 16 ject to subsection (h),” after “Notwithstanding any  
 17 other provision of this title,” each place it appears.

18 (g) REQUIREMENT OF NOTICE FOR ALL FAMILIES  
 19 LOSING TANF.—Subsection (a)(2) of section 1925 (42  
 20 U.S.C. 1396r-6) is amended by adding after and below  
 21 subparagraph (B), the following:

22 “Each State shall provide, to families whose aid  
 23 under part A or E of title IV has terminated but  
 24 whose eligibility for medical assistance under this  
 25 title continues, written notice of their ongoing eligi-

bility for such medical assistance. If a State makes a determination that any member of a family whose aid under part A or E of title IV is being terminated is also no longer eligible for medical assistance under this title, the notice of such determination shall be supplemented by a 1-page notification form describing the different ways in which individuals and families may qualify for such medical assistance and explaining that individuals and families do not have to be receiving aid under part A or E of title IV in order to qualify for such medical assistance. Such notice shall further be supplemented by information on how to apply for child health assistance under the State children's health insurance program under title XXI and how to apply for medical assistance under this title.”.

(h) EXTENDING USE OF OUTSTATIONED WORKERS TO ACCEPT APPLICATIONS FOR TRANSITIONAL MEDICAL ASSISTANCE.—Section 1902(a)(55) (42 U.S.C. 1396a(a)(55)) is amended by inserting “and under section 1931” after “(a)(10)(A)(ii)(IX)”.

(i) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in this subsection, the amendments made by this section shall apply to calendar quarters beginning on or



1 after October 1, 2002, without regard to whether or  
2 not final regulations to carry out such amendments  
3 have been promulgated by such date.

4 (2) NOTICE.—The amendment made by sub-  
5 section (g) shall take effect 6 months after the date  
6 of enactment of this Act.

7 (3) DELAY PERMITTED FOR STATE PLAN  
8 AMENDMENT.—In the case of a State plan for med-  
9 ical assistance under title XIX of the Social Security  
10 Act which the Secretary of Health and Human Serv-  
11 ices determines requires State legislation (other than  
12 legislation appropriating funds) in order for the plan  
13 to meet the additional requirements imposed by the  
14 amendments made by this section, the State plan  
15 shall not be regarded as failing to comply with the  
16 requirements of such title solely on the basis of its  
17 failure to meet these additional requirements before  
18 the first day of the first calendar quarter beginning  
19 after the close of the first regular session of the  
20 State legislature that begins after the date of enact-  
21 ment of this Act. For purposes of the previous sen-  
22 tence, in the case of a State that has a 2-year legis-  
23 lative session, each year of such session shall be  
24 deemed to be a separate regular session of the State  
25 legislature.



1 **SEC. 323. OPTIONAL COVERAGE OF LEGAL IMMIGRANTS**  
2 **UNDER THE MEDICAID PROGRAM AND TITLE**  
3 **XXI.**

4 (a) **MEDICAID PROGRAM.**—Section 1903(v) (42  
5 U.S.C. 1396b(v)) is amended—

6 (1) in paragraph (1), by striking “paragraph  
7 (2)” and inserting “paragraphs (2) and (4)”; and

8 (2) by adding at the end the following:

9 “(4)(A) A State may elect (in a plan amendment  
10 under this title) to provide medical assistance under this  
11 title (including under a waiver authorized by the Sec-  
12 retary), notwithstanding sections 402(b) and 403 of the  
13 Personal Responsibility and Work Opportunity Reconcili-  
14 ation Act of 1996 but, except as provided in subparagraph  
15 (B), consistent with sections 401(a) and 421 of such Act,  
16 for aliens who are lawfully residing in the United States  
17 (including battered aliens described in section 431(c) of  
18 such Act) and who are otherwise eligible for such assist-  
19 ance, within any of the following eligibility categories:

20 “(i) **PREGNANT WOMEN.**—Women during preg-  
21 nancy (and during the 60-day period beginning on  
22 the last day of the pregnancy).

23 “(ii) **CHILDREN.**—Children (as defined under  
24 such plan), including optional targeted low-income  
25 children described in section 1905(u)(2)(B).

1       “(B) Notwithstanding section 421 of the Personal  
2 Responsibility and Work Opportunity Reconciliation Act  
3 of 1996, in the case of a State that has elected to provide  
4 medical assistance to a category of aliens under subpara-  
5 graph (A), no debt shall accrue under an affidavit of sup-  
6 port against any sponsor of such an alien on the basis  
7 of provision of assistance to such category and the cost  
8 of such assistance shall not be considered as an unreim-  
9 bursed cost.”.

10       (b) TITLE XXI.—Section 2107(e)(1) (42 U.S.C.  
11 1397gg(e)(1)) is amended by adding at the end the fol-  
12 lowing:

13               “(E) Section 1903(v)(4) (relating to op-  
14 tional coverage of categories of lawful resident  
15 alien pregnant women and children), but only  
16 with respect to an eligibility category under this  
17 title, if the same eligibility category has been  
18 elected under such section for purposes of title  
19 XIX.”.

20       (c) EFFECTIVE DATE.—The amendments made by  
21 this section take effect on October 1, 2002, and apply to  
22 medical assistance and child health assistance furnished  
23 on or after such date, whether or not regulations imple-  
24 menting such amendments have been issued.

1 SEC. 324. PATHWAY TO SELF-SUFFICIENCY GRANTS TO IM-  
2 PROVE COORDINATION OF ASSISTANCE FOR  
3 LOW-INCOME FAMILIES.

4 (a) DEFINITIONS.—In this section:

5 (1) ELIGIBLE APPLICANT.—The term “eligible  
6 applicant” means a State or local government agen-  
7 cy or a nonprofit entity.

8 (2) SECRETARY.—The term “Secretary” means  
9 the Secretary of Health and Human Services.

10 (3) STATE.—The term “State” means each of  
11 the 50 States of the United States, the District of  
12 Columbia, the Commonwealth of Puerto Rico, Amer-  
13 ican Samoa, Guam, and the United States Virgin Is-  
14 lands.

15 (4) SUPPORT PROGRAM FOR LOW-INCOME FAMI-  
16 LIES.—The term “support program for low-income  
17 families” means a program designed to provide low-  
18 income families and noncustodial parents who need  
19 help with obtaining employment and fulfilling child  
20 support obligations to children receiving assistance  
21 under the temporary assistance to needy families  
22 program established under part A of title IV of the  
23 Social Security Act (42 U.S.C. 601 et seq.) with as-  
24 sistance or benefits to enable the family or noncusto-  
25 dial parent to become self-sufficient and includes—

1 (A) the temporary assistance to needy fam-  
2 ilies program established under part A of title  
3 IV of the Social Security Act (42 U.S.C. 601 et  
4 seq.);

5 (B) the food stamp program established  
6 under the Food Stamp Act of 1977 (7 U.S.C.  
7 2011 et seq.);

8 (C) the medicaid program funded under  
9 title XIX of the Social Security Act (42 U.S.C.  
10 1396 et seq.);

11 (D) the State children's health insurance  
12 program (SCHIP) funded under title XXI of  
13 the Social Security Act (42 U.S.C. 1397aa et  
14 seq.);

15 (E) the child care program funded under  
16 the Child Care Development Block Grant Act of  
17 1990 (42 U.S.C. 9858 et seq.);

18 (F) the child support program funded  
19 under part D of title IV of the Social Security  
20 Act (42 U.S.C. 651 et seq.);

21 (G) the earned income tax credit under  
22 section 32 of the Internal Revenue Code of  
23 1986;

24 (H) the low-income home energy assistance  
25 program (LIHEAP) established under the Low-

Income Home Energy Assistance Act of 1981  
(42 U.S.C. 8621 et seq.);

(I) the special supplemental nutrition program for women, infants, and children (WIC) established under section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786);

(J) programs under the Workforce Investment Act of 1998 (29 U.S.C. 2801 et seq.);

(K) programs supporting low-income housing assistance programs; and

(L) any other Federal, State, or locally funded program designed to provide family and work support to low-income families.

(b) AUTHORITY TO AWARD GRANTS.—

(1) IN GENERAL.—The Secretary may award grants to eligible applicants to—

(A) improve the coordination of support programs for low-income families and noncustodial parents described in subsection (a)(4); and

(B) conduct outreach to such families and noncustodial parents to promote enrollment in such programs.

(2) PREFERENCE.—In awarding grants under this section, the Secretary shall give preference to eligible applicants that include in the application sub-



1       mitted under subsection (c) documentation dem-  
2       onstrating that the eligible applicant will collaborate  
3       with other Federal, State, or local agencies or non-  
4       profit entities in carrying out activities under the  
5       grant.

6       (c) APPLICATION.—Each eligible applicant desiring a  
7       grant under this section shall submit an application to the  
8       Secretary at such time, in such manner, and accompanied  
9       by such information as the Secretary may require.

10      (d) ANNUAL REPORTS.—

11           (1) IN GENERAL.—The Secretary shall submit  
12       an interim and final report to Congress describing  
13       the uses of grant funds awarded under this section.

14           (2) DATES FOR SUBMISSION.—With respect to  
15       the reports required under paragraph (1), the Sec-  
16       retary shall submit—

17                   (A) the interim report, not later than De-  
18       cember 31, 2005; and

19                   (B) the final report, not later than Decem-  
20       ber 31, 2008.

21       (e) AUTHORIZATION OF APPROPRIATIONS.—There is  
22       authorized to be appropriated to carry out this section  
23       \$50,000,000 for the period of fiscal years 2003 through  
24       2007.



1 (f) ANNUAL ASSESSMENT OF REGIONAL LABOR  
2 MARKETS TO TARGET HIGHER ENTRY LEVEL WAGE OP-  
3 PORTUNITIES IN INDUSTRIES EXPERIENCING LABOR  
4 SHORTAGES.—

5 (1) IN GENERAL.—An State to which a grant  
6 is made under this section annually shall conduct an  
7 assessment of its regional labor markets that in-  
8 cludes the following:

9 (A) LABOR MARKET.—The assessment  
10 shall—

11 (i) identify industries or occupations  
12 that have or expect growth, the loss of  
13 skilled workers, or that have a demand for  
14 a subset of workers;

15 (ii) identify the entry-level education  
16 and skills requirements for the industries  
17 or occupations that have or anticipate a  
18 need for workers; and

19 (iii) analyze the entry-level wages and  
20 benefits in identified industries or occupa-  
21 tions.

22 (B) JOB SEEKERS.—The assessment shall  
23 create a profile of the characteristics of the un-  
24 employed and underemployed residents of the  
25 State, including educational attainment, bar-

1 riers to employment, geographic concentrations,  
2 and access to needed support services.

3 (C) EDUCATION AND TRAINING INFRA-  
4 STRUCTURE.—The assessment shall create a  
5 profile of the State's available education, train-  
6 ing, and support services to prepare workers for  
7 the identified industries or occupations.

8 (D) ALIGNING INDUSTRIES AND JOB SEEK-  
9 ER NEEDS.—The assessment shall compare the  
10 characteristics of the identified industries or oc-  
11 cupations to the profiles created under subpara-  
12 graphs (B) and (C).

13 (2) PROVISION OF INFORMATION TO LOCAL-  
14 ITIES.—The State shall share with local political  
15 subdivisions of the State—

16 (A) information regarding the existence of  
17 higher entry-wage job opportunities in indus-  
18 tries experiencing labor shortages; and

19 (B) opportunities for collaboration with in-  
20 stitutions of higher education, community-based  
21 organizations, and economic development and  
22 welfare agencies.

23 (3) DATA.—A State may use data available as  
24 of the date the State begins an assessment under  
25 paragraph (1) to conduct such assessment if such

1 data provides the information necessary to conduct  
2 the assessment described in that paragraph.

3 (4) REPORTS.—

4 (A) STATE REPORTS.—Each State to  
5 which a grant is made under this section annu-  
6 ally shall submit a report to the Secretary that  
7 contains the assessment required under para-  
8 graph (1).

9 (B) REPORT TO CONGRESS.—The Sec-  
10 retary annually shall submit a report to Con-  
11 gress compiling the State reports submitted  
12 under subparagraph (A).

13 **SEC. 325. GAO STUDY ON IMPACT OF BAN ON SSI BENEFITS**  
14 **FOR LEGAL IMMIGRANTS.**

15 (a) STUDY.—The Comptroller General of the United  
16 States shall conduct a study to determine the impact of  
17 the prohibition under section 402 of the Personal Respon-  
18 sibility and Work Opportunity Reconciliation Act of 1996  
19 (8 U.S.C. 1612) with respect to the eligibility of qualified  
20 aliens (as defined in section 431 of such Act (8 U.S.C.  
21 1641)) for benefits under the supplemental security in-  
22 come program under title XVI of the Social Security Act  
23 (42 U.S.C. 1381 et seq.), including supplementary pay-  
24 ments pursuant to an agreement for Federal administra-  
25 tion under section 1616(a) of such Act (42 U.S.C. 1382e)

1 and payments pursuant to an agreement entered into  
2 under section 212(b) of Public Law 93-66.

3 (b) REPORT.—Not later than 1 year after the date  
4 of enactment of this Act, the Comptroller General shall  
5 submit a report to Congress on the study conducted under  
6 subsection (a) that includes such recommendations for leg-  
7 islative action as the Comptroller General determines ap-  
8 propriate.

## 9 **TITLE IV—EFFECTIVE DATE**

### 10 **SEC. 401. EFFECTIVE DATE.**

11 (a) IN GENERAL.—Except as otherwise provided, the  
12 amendments made by this Act shall take effect on October  
13 1, 2002, and shall apply to payments under parts A and  
14 D of title IV of the Social Security Act for calendar quar-  
15 ters beginning on or after such date, without regard to  
16 whether regulations to implement the amendments are  
17 promulgated by such date.

18 (b) DELAY PERMITTED IF STATE LEGISLATION RE-  
19 QUIRED.—In the case of a State plan under section 402(a)  
20 or 454 of the Social Security Act (42 U.S.C. 602(a), 654)  
21 which the Secretary of Health and Human Services deter-  
22 mines requires State legislation (other than legislation ap-  
23 propriating funds) in order for the plan to meet the addi-  
24 tional requirements imposed by the amendments made by  
25 this Act, the State plan shall not be regarded as failing

1 to comply with the requirements of such section 402(a)  
2 or 454 solely on the basis of the failure of the plan to  
3 meet such additional requirements before the 1st day of  
4 the 1st calendar quarter beginning after the close of the  
5 1st regular session of the State legislature that begins  
6 after the date of enactment of this Act. For purposes of  
7 the previous sentence, in the case of a State that has a  
8 2-year legislative session, each year of such session shall  
9 be deemed to be a separate regular session of the State  
10 legislature.

○







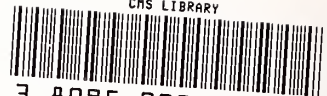








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